



# 2023

## PRE-BUDGET SUBMISSION

# THE COST OF SURVIVING

Proposals for  
an Equal  
Ireland



Society of St. Vincent de Paul

## **MISSION STATEMENT**

The Society of St. Vincent de Paul is involved in a diverse range of activities characterised by:

### **Support and friendship**

Through person-to-person contact, we are committed to respecting the dignity of those we assist and fostering self-respect. We assure confidentiality at all times and endeavour to establish relationships based on trust and friendship.

### **Promoting self-sufficiency**

It is not enough to provide short-term material support. Those we assist are also helped to achieve self-sufficiency in the longer term and the sense of self-worth this provides. When problems are beyond our competence, we enlist the support of specialised help.

### **Working for Social Justice**

We are committed to identifying the root causes of poverty and social exclusion in Ireland and, in solidarity with people experiencing poverty and disadvantage, to advocate and work for the changes required to create a more just and caring society.



Society of St. Vincent de Paul

**Pre-Budget Submission  
2023**

**The Cost of Surviving**

**Proposals  
for an Equal Ireland**

# TABLE OF CONTENTS

## Introduction

Foreword by SVP National President	1
Introduction	3

## Housing and Homelessness

The Reality of Housing Insecurity	4
Priorities for Budget 2023	5

## Education and Early Years

The Reality of Educational Inequality	6
Priorities for Budget 2023	7

## Income Adequacy

The Reality of life on a Low Income	8
Priorities for Budget 2023	9

## Energy and Climate Justice

The Reality of Energy Poverty	10
Priorities for Budget 2023	11

## Foreword by SVP National President

The last two years have been a time that most people wish to forget. For many it was missing being with their loved ones, parents, children, grandchildren, for much of the time. For others it was the loneliness, and isolation, becoming unemployed, struggling to pay bills and put food on the table.

As our Members know, 2021 was an extraordinary year for the Society in terms of calls for help. There were just over 191,000 calls recorded on our CRM system. A record number. Now we are facing a perfect storm for families dealing with the rising cost of living.

Many families experienced extra costs during lockdowns when children being at home increased food, digital and fuel costs. Rather than the situation easing, they have faced escalating prices which have hit families' budgets even harder. Energy prices are soaring, we are seeing rents rise well beyond what people can afford and increasing transport costs are also putting pressure on low-income households.

The short term supports provided so far have helped, but with inflation forecast to continue rising, the gap between incomes and expenditure for people on the lowest incomes will grow. The real-life impact of this as seen by SVP will be bills that go unpaid, increased food poverty, evenings spent without heat and light and more isolation for those who cannot afford to leave their homes.



Ireland's response to the pandemic and the Ukrainian crisis shows that as a country we believe in showing compassion towards others and helping and protecting each other from harm. Yet, right now, too many live in poverty and many more risk falling into the trap. We all share a moral responsibility to ensure that everyone in our country has a decent standard of living.

We do not underestimate the challenges faced by policymakers at this time and understand that there are no easy choices. However, all choices must be underpinned by the principals of equality, fairness and social justice. In this year's pre-budget submission, we outline the right choices to make a real difference in the lives of those struggling in poverty. Immediate support to help low-income households weather this storm must go hand-in-hand with measures to strengthen our social welfare system, improve our public services and tackle the structural issues that cause poverty in the first place.

A handwritten signature in black ink that reads 'Rose McGowan'.

Rose McGowan

SVP National President

# WHY WE WORK FOR SOCIAL JUSTICE

## PRE-BUDGET SUBMISSION 2023



OVER 200,000 CHILDREN LIVING IN ENFORCED DEPRIVATION



ONE PARENT FAMILIES 4X MORE LIKELY TO LIVE IN CONSISTENT POVERTY



OVER 9000 HOMELESS INCLUDING 2600 CHILDREN



29% OF RENTERS WORRIED ABOUT FACING EVICTION IN THE NEXT SIX MONTHS



**HOUSING**



**EDUCATION**



SENDING A CHILD TO SECONDARY SCHOOL COSTS AN ESTIMATED €1,484 ANNUALLY



A QUARTER OF PARENTS GET INTO DEBT TO COVER BACK TO SCHOOL COSTS



NUMBER STRUGGLING FINANCIALLY HAS DOUBLED SINCE BEFORE THE PANDEMIC



€49 GAP BETWEEN CORE SOCIAL WELFARE RATES AND THE COST OF A MESL



**INCOME**



**ENERGY**



37% CUT BACK ON ESSENTIAL HEATING AND ELECTRICITY DUE TO RISING COSTS



OVER 250,000 CUSTOMERS IN ARREARS ON THEIR ELECTRICITY BILLS



191,000 requests for help



€4.1 MILLION for those struggling with their utility costs



€4.7 MILLION supporting access to education



€1 MILLION for clothing and furniture



€14.6 MILLION in support for people who could not afford food



Society of St. Vincent de Paul

## INTRODUCTION



Right across the country, SVP is seeing the impact of rapidly rising living costs on low-income households. We know from our Members' experience and research that the impact of the pandemic on low-income household budgets has left families more exposed. While better-off families tended to build up their savings during the pandemic, providing a shock absorber for rising prices; lower income families have no savings and are already in debt.

A survey commissioned by SVP carried out in January 2022 revealed that people were already experiencing the impact of the rising cost of living with 37% of respondents having cut back on essential heating and electricity and 17% cutting back on other essentials such as food.<sup>1</sup> The data also shows a significant proportion of the population are worried about their ability to meet their essential living costs such rent, mortgages, utilities and transport costs. For renters the worry is particularly stark with over half worried about their ability to pay their rent, 9%

already behind on their rent and 29% worried about facing eviction in the next six months.

It is our experience that prior to the Covid-19 pandemic and cost of living crisis, people living in poverty had to make difficult decisions between essentials. In 2020, it was estimated that 800,000 people were experiencing enforced deprivation. A decade of cuts and freezes to our social welfare system has brought us to a moment of extreme pressure with the rising cost of essentials. With the impact of rising costs being much harsher for households on low incomes as outlined in analysis by the ESRI, Central Bank and TASC, the case is clear for targeted protections to prevent further serious hardship. It is critical that Government also commit to benchmarking social welfare payments and minimum wages to an adequate level and in line with living costs in the longer term. Investment in quality public services is also needed if the Government is to be successful in reaching their own poverty targets as set out in the Roadmap for Social Inclusion.

### In Budget 2023, Government must:

- Provide targeted and adequate supports to low-income households most acutely impacted by inflation and properly poverty proof all decisions.
- Commit to benchmarking social welfare rates against the cost of a Minimum Essential Standard of Living.
- Introduce a Living Wage for workers that reflects the real costs faced by those in low paid jobs.
- Invest in quality public services including housing, childcare, education and health to reduce the high cost of living trapping people in poverty.
- Develop and resource a new Strategy to Combat Energy Poverty and establish a Just Transition Commission without further delay.

1. SVP (2022) *The Cost of Surviving* <https://svp.ie/news-media/news/number-struggling-financially-has-doubled-since-be.aspx>  
2. CSO (2021) *Survey of Income and Living Conditions 2020* <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2020/>  
3. Makhoulf (2021) *Inflation dynamics in a pandemic: maintaining vigilance and optionality* - remarks by Gabriel Makhoulf <https://www.centralbank.ie/news/article/speech-inflation-dynamics-in-a-pandemic-maintaining-vigilance-and-optionality-gabriel-makhoulf-23-november-2021>



## HOUSING AND HOMELESSNESS

At any stage or age in life, homelessness and housing exclusion brings a host of risks and vulnerabilities to affected individuals, but the impact on children is a particular concern. The acute need for increased provision of homes which will provide safety and security is to the forefront of the minds of SVP members who visit and support families in emergency homeless accommodation, hotels and direct provision centres.

Working directly with individuals and families experiencing housing insecurity, inequality, poverty and marginalisation has afforded SVP a valuable perspective on the key challenges and opportunities in addressing the housing crisis. We welcome the publication of Housing for All (September 2021) as we urgently need it to deliver for the people SVP assists. It must provide a pathway for the State to provide secure and affordable homes for people to live within vibrant and sustainable communities.

Unfortunately, the social housing target falls short of what is required, and the plan is weak on prevention and tenancy sustainment measures.

Members from across the country see the impact of rising rents on low-income households, placing many at risk of homelessness. Data from ESRI shows almost 300,000 (293,673) households received support for their housing costs in 2020, up from 134,973 in 1994.<sup>4</sup> The over-reliance on the private rented sector to meet social housing need is driving hardship among low-income households. The impact of Housing Assistance Payment (HAP) top-ups on the financial situation of families is particularly prevalent among the households SVP assists. The priority for families is to pay the rent and keep a roof over their head which leaves little or nothing for other essentials. This is increasingly one of the main reasons for contacting SVP for help.<sup>5</sup>

### THE REALITY OF HOUSING INSECURITY

Lucy is a parenting alone with two kids aged 8 and 10. She has a part-time job in a supermarket and works her hours around the children's school times. With the rise in the cost of gas, electricity, and food she is really struggling. She has missed a Housing Assistance Payment to the Local Authority as she was prioritising paying the weekly €50 top-up to the landlord. The arrears must be cleared, or the payment will be suspended to the landlord. Lucy says she cannot pay all the arrears as: ***"I can't even afford shopping at the moment"***. She says she is ***"down to twenty euro until next pay day"***. Lucy doesn't know how she will cope but ***"me and my kids can't end up on the street."***

4. Doolan, Rowntree and Slaymaker (2022) Low-income renters and housing supports <https://www.esri.ie/publications/low-income-renters-and-housing-supports>

5. Threshold and the SVP Ireland (2019) The Housing Assistance Payment (HAP): Making the Right Impact? [https://issuu.com/svp15/docs/hap\\_survey\\_report\\_2019/1?e=25010855/73017298](https://issuu.com/svp15/docs/hap_survey_report_2019/1?e=25010855/73017298)

As we welcome refugees fleeing war in Ukraine, SVP recognises that the task facing the Government and Local Authorities to end homelessness and address housing insecurity is significant. However, it

is achievable, and requires continued determination and ambition on behalf of the thousands affected by the housing crisis and all those requiring international protection and sanctuary in Ireland.

## PRIORITIES FOR BUDGET 2023

- **Pursue a housing-led approach to the housing crisis.** In order to provide secure and affordable homes for low-income households on the housing list or insecure private rented accommodation, the annual targets under Housing for All need to increase by 5,000 units annually. As well as direct builds by Local Authorities, funding should be made available to bring vacant properties back into use.

**Additional Capital Investment for Budget 2023: €450 million.**

- **End the practice of unaffordable top-ups on the Housing Assistance Payment** by ensuring no one falls below Supplementary Welfare Allowance levels after housing costs. Increase Housing Assistance Payment and Rent Supplement limits so that they are kept in line with market rates and extend the 50% Homeless HAP rate to all Local Authorities. These measures should be pursued alongside greater security and rent certainty measures for tenants.

**Investment for Budget 2023: €30 million.<sup>6</sup>**

- **Prevent homelessness through early intervention by** ensuring the Department of Housing and Department of Social Protection work together to identify households at risk of losing their rented accommodation. Develop a joint budget line and protocol between both departments to provide financial and tenancy support services in a timely manner to prevent households from entering homelessness.

**Investment for Budget 2023: €10 million.**

- **Implement the White Paper on Direct Provision** to ensure those requiring international protection can be accommodated in adequate housing and integrated into the community.

**Investment for Budget 2023: €171 million.<sup>7</sup>**

- **Expand the Housing First programme** for families experiencing homelessness. Begin by introducing a pilot scheme for families that have been homeless for more than two years.

**Investment for Budget 2023: €1.5 million.**

6. Estimated investment to increase HAP/RS limits based on cost provided when increase in July 2016 accounting for increase in market rents and expansion of HAP tenancies: <https://www.gov.ie/en/press-release/d912b6-varadkar-and-coveney-announce-higher-rent-supplement-limits-to-help-/>

7. Based on 50% of mid range Phase 2 estimated capital costs as outlined in Government White Paper on Ending Direct Provision (page 94): <https://www.gov.ie/en/publication/7aad0-minister-ogorman-publishes-the-white-paper-on-ending-direct-provision/>



## EDUCATION AND EARLY YEARS

Investing in education from early years right through to adult education is one of the best investments Government can make. Quality publicly funded early years care and education is key to ensuring that children get a good start in life and break the cycle of poverty.<sup>8</sup> Progress made in Budget 2022 under the National Childcare Scheme must be built upon so Ireland can deliver on the EU Child Guarantee of free early years care for children in poverty.

Despite much welcome investment in the DEIS programme and improvements in SUSI in Budget 2022, educational inequality persists with costs remaining a significant barrier to participation. Last August, SVP took on average 300 calls per day from families worried about back to school costs – a 10%

increase on 2020. This year there is the added pressure where families are still dealing with the financial consequences of the pandemic on top of the rise in the cost-of-living. The level of demand underlines the need for much greater investment in the education system to ensure that all can access and participate in education equally. This includes investment in supports for children with additional needs children, so that parents do not have to find additional funds to access services and assessments privately.

Attending further and higher education is expensive and is beyond the reach of many low-income students. In analysis by INDECON economists as part of the SUSI review carried out by the Department, it is estimated that the cost of living for students has increased by over 25% since

### THE REALITY OF EDUCATIONAL INEQUALITY

Claire and David have three children aged 3, 8 and 12. David was working full-time in the hospitality sector prior to Covid-19 but has been in and out of work during the restrictions. Claire works part-time in the local shop. Their eldest is going into 1st year of secondary school and their daughter is in 2nd class. The family luckily qualify for the Back to School Clothing and Footwear Allowance which covers uniforms for the kids. The youngest child is in a DEIS school and benefits from a school book grant which they says is a “**massive help**”. However, with book lists, administrative fees and request for a ‘voluntary’ contribution from their eldest daughter’s secondary school, Claire says they “**have absolutely no way of paying unless we go to a moneylender.**”

8. Heery, E. (2020) 'Public Provision of Early Childhood Education: an Overview of the International Evidence', Oireachtas Library and Research Service Briefing note [https://data.oireachtas.ie/ie/oireachtas/libraryResearch/2020/2020-06-16\\_1-rs-note-public-provision-of-early-childhood-education-an-overview-of-the-international-evidence\\_en.pdf](https://data.oireachtas.ie/ie/oireachtas/libraryResearch/2020/2020-06-16_1-rs-note-public-provision-of-early-childhood-education-an-overview-of-the-international-evidence_en.pdf)  
9. INDECON (2022) Review of the Student Grant Scheme <https://www.gov.ie/en/policy-information/49e56-future-funding-in-higher-education/>.

2011 and that grants cover 35.7% of undergrad costs.<sup>9</sup> As well as being inadequate, the failure to extend support to part-time students disproportionately impacts lone parents and people with a disability,

locking them out of further and higher education. We welcome the Minister's commitment to address these issues following the review of SUSI and progress must be made in Budget 2023.

## PRIORITIES FOR BUDGET 2023

- **Unlock free early years care and education** and afterschool care to all low-income families, including one-parent families. This requires ensuring all disadvantaged children can access early years care and education regardless of their parents' employment status. Eligibility for free support should be based on satisfying a means test for existing state benefits. **Investment for Budget 2023: €10 million.**
- **Provide genuinely free primary and secondary education to all students.** Begin by restoring capitation rates to 2010 levels, implementing the School Cost Circular issued in 2017 and expanding the free school-books pilot nationally. **Estimated cost: €68 million.**<sup>10</sup>
- **Support children experiencing educational disadvantage in non-DEIS schools** by creating an educational equality fund. Similar to the Pupil Premium model in the UK, funding should be provided on a per capita basis using the student data used as part of the DEIS identification model. Funding can be utilised by schools for initiatives that promote the inclusion and participation of children from disadvantaged backgrounds in programmes that are non-stigmatising. **Investment for Budget 2023: €4 million.**
- **Ensure that children with additional needs can access the supports they need in school and the community.** Provide the requisite amount of funding for 10 additional NEPS psychologists at an **estimated cost: €750,000**<sup>11</sup> and by investing in 100 additional caseworkers to support Early Intervention and School Age Teams around the country at an **estimated cost: €2.8 million.**
- **Make SUSI fit for purpose** by reviewing the income thresholds and means test to qualify for SUSI in line with average incomes and poverty thresholds and increasing the value of the maintenance grant levels in line with the cost of living. In Budget 2023, begin by increasing the grant rates and income thresholds by 15% at an **estimated cost: €12.6 million** and expand eligibility for the SUSI grant to part-time students. **Estimated cost: €60 million.**<sup>12</sup>

10. A total of €40 million would provide free schoolbooks at primary and secondary level and to restore Capitation rates to 2010 levels would cost €28 million.

11. Based on costing provided by the Minister for Education: <https://www.kildarestreet.com/wrants/?id=2021-07-08a.625&s=NEPS+psychologist+costs#g626.q>

12. Based on the cost of extending support to 20,000 part-time students in line with the total population of part-time students (46,000) and the proportion of full-time students qualifying for support under SUSI (40%) <https://www.kildarestreet.com/wrants/?id=2022-04-06a.446&s=susi+%22part-time+students%22+cost#g447.q>

## INCOME ADEQUACY



At SVP our Members see the reality of low incomes facing too many one-parent families, people who are out of work due to illness or disability, and those who are unemployed. This reality is also clearly demonstrated through the Minimum Essential Standard of Living (MESL) data which shows that social welfare payments leave many households headed by a single adult, or with older children, in deep income inadequacy.<sup>13</sup> Out of 214 social welfare cases, 71 are inadequate and a further 81 are deeply inadequate. For children, social welfare supports only meet 64% of the minimum essential costs for an older child, and 89% of costs of younger children. Increases in the cost of essentials mean that people facing poverty must make tougher compromises each week, cutting back where there was already nothing to spare. Investing in social welfare supports in this Budget and coming years would prevent a much higher cost of poverty, both to individuals and to public services.

Ireland's poverty rates show that the structural inequalities that persist in society leave some people at a much higher risk of hardship. The latest data shows that 19.2% of people unable to work due to illness or disability are in consistent poverty, and 39.6% are living in enforced deprivation.<sup>14</sup> SVP Members meet many people with a disability or those caring for a family member with a disability who are faced with extra weekly cost. Recent research from the VPSJ shows the net 'Additional Costs' required to enable a socially acceptable MESL for a household caring for a child with a profound intellectual disability range from €207 to €308 per week.<sup>15</sup>

Work does not always offer a way out of poverty, and there are 132,000 people who are employed and yet still living below the poverty line.<sup>16</sup> For one-parent families, 13.1% are in consistent poverty, with 44.9% experiencing enforced deprivation.<sup>17</sup>

### THE REALITY OF LIFE ON A LOW INCOME

Tara is a lone parent with two children aged 7 and 10. She is studying for a Psychology degree and is in receipt of the Back to Education Allowance. She is studying part-time so doesn't qualify for SUSI and has a credit union loan. Things have always been a struggle but she says ***"with the cost of heating and electricity going up, I'm leaving myself short on food shopping."*** She used to be able to get the weekly shopping for her family for €50 by trying to get the best deals but the same basket of food is now around €75. She is buying less now and ***"regularly goes to bed hungry but thankfully I have been able to keep the kids fed, but I can only cope for so long."***

13. VPSJ (2021) Budget 2022 MESL Impact Briefing [https://www.budgeting.ie/download/pdf/budget\\_2022\\_-\\_mesl\\_impact\\_briefing.pdf](https://www.budgeting.ie/download/pdf/budget_2022_-_mesl_impact_briefing.pdf)

14. CSO (2022) Survey of Income and Living Conditions 2021 <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2021/povertyanddeprivation/>

16. VPSJ (2022) Care at Home: Costs of Care Arising from Disability <http://www.budgeting.ie/download/pdf/care-at-home-costs-of-care-arising-from-disability-2022.pdf>

17. SJI (2022) Social Justice Matters <https://www.socialjustice.ie/system/files/file-uploads/2022-04/social-justice-matters-2022-web.pdf>

18. CSO (2022) Survey of Income and Living Conditions 2021 <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2021/povertyanddeprivation/>

These rates show that we are leaving too many groups without a strong enough safety net. Providing essential services like housing, child-

care and education must go hand-in-hand with protecting people's incomes while they are out of work, caring for a loved one or on low pay.

## PRIORITIES FOR BUDGET 2023

- **Increase social welfare rates** to provide a decent standard of living and prevent child poverty by raising the incomes of the poorest families. Increasing social welfare rates ahead of inflation will act as a lifeline, keeping people on low and fixed incomes afloat in sea of rising living costs.<sup>18</sup> This should be a first step in a wider plan to strengthen our social security system making it more resilient to economic shocks and allowing people to live with dignity. Increase core social welfare rate by **€20** per week at an **estimated cost of €676 million** and increase QCI for children over 12 by **€12** and children under 12 by **€7** at an **estimated cost of €146 million**.<sup>19</sup>
- **Introduce an additional social welfare payment** to provide for the cost of disability. We now have an evidence base that clearly sets out the extra expense people with a disability incur. The fact that this isn't reflected by the social welfare system contributes to persistently high poverty and deprivation rates. **To begin with, an additional payment of €20 per week** should now be introduced to those in receipt of a disability-related payment at an **estimated cost: €231.3 million**.<sup>20</sup>
- **Address poverty amongst people seeking international protection** by fully implementing the social protection measures outlined in the White Paper on Direct Provision, including extending Child Benefit to families in the international protection process. Our welcome to refugees from Ukraine has demonstrated how we can respond effectively; this same approach must be extended to all refugees without further delay. **Estimated cost of White Paper social protection measures: €27.7 million.**
- **Make work pay and address in-work poverty by increasing the thresholds for the Working Family Payment.** For one parent families, **JST should be extended until the youngest child leaves secondary education**, recognising the ongoing care needs of older children.
- **Ensure low-income households can meet unexpected expenses** by improving the adequacy and accessibility of Additional Needs Payment Scheme (the Exceptional Needs Payment Scheme). Ensure adequate resources are invested into the frontline services to reduce wait times for application and processing.

18. To keep pace with inflation core social welfare rates would need to increase by €17, QCI for under 12 by €5.50 and for under 12 by €4.50. Our recommendation is to match this, with additional increases to bridge some of the gap between rates and the cost of an Minimum Essential Standard of Living.

19. See: [https://www.kildarestreet.com/wrans/?id=2022-05-19a.784&s=cost+increase+social+welfare+by+5#g790\\_r](https://www.kildarestreet.com/wrans/?id=2022-05-19a.784&s=cost+increase+social+welfare+by+5#g790_r) Costing based on increases in working age payments and does not include a proportionate increase in rates for Qualified adults as current structure of the social welfare system shows an imbalance between primary rates for a single adult and increases for QA. Maintaining it at the current rate address this imbalance and free up resources for increase in base rate and QCI.

20. See [https://www.disability-federation.ie/assets/files/pdf/pre\\_budget\\_submission\\_final.pdf](https://www.disability-federation.ie/assets/files/pdf/pre_budget_submission_final.pdf)



## ENERGY AND CLIMATE JUSTICE

Affordable energy is a basic requirement for a healthy and decent standard of living. Warmth, light, hot water and the ability to cook a healthy meal all depend on having reliable access to energy. For too many people these needs have not been met this year. Turning off the heating for fear of the next bill, accounts falling into arrears, empty oil tanks, not having money to put on the prepayment meter or cutting back on meals to save money for heating are the reality for thousands of people assisted by SVP.

The increasing costs of energy have made it clear that we must mitigate both the immediate and long-term costs of energy for those on the lowest incomes, and that these policies must reach all who need them. We need to see a new Energy Poverty Strategy that addresses current needs as well as longer-term solutions and works

across departments and agencies to ensure better outcomes for people facing energy poverty. A feasibility study should also be commissioned for a social tariff in the energy market that would enable more responsive supports for customers at a time of rising prices and a transition to a low carbon economy

Without adequate targeting of policies that respond to energy poverty, many people will slip through the safety net, unable to heat their home or miss out on other essentials to make room in their budget. The Fuel Allowance is the primary support offered to households at risk of energy poverty – the extension of the payment period due to the pandemic, and two much needed additional payments in Spring 2022 shows how essential it is – however, it doesn't reach all those who need it. Unless the revenues from Carbon

### THE REALITY OF ENERGY POVERTY

Tom lives in an old, poorly insulated, rented apartment. He receives Disability Allowance and is on the waiting listing for social housing with the Local Authority. The apartment has storage heaters and a pre-pay meter so it has always been costly to heat his home. However, in recent months he has really noticed the increase in the cost of electricity. Tom says it **"takes €7 a day and I don't even have heat on in the whole house just my bedroom before sleep."** *By the last two days of the week "I have no money to top up the pre-pay machine"*. The mould in the apartment has gotten worse and he is on an inhaler and steroids for his lungs as a result.

Tax allocated to just transition measures reach all those experiencing energy poverty, the regressive nature of this tax is not being mitigated. This includes households on the Working

Family Payment who do not receive Fuel Allowance, and private renters in receipt of Housing Assistance Payment who are not eligible for free energy upgrades.

## PRIORITIES FOR BUDGET 2023

- **Ensure support for energy costs through the Fuel Allowance is set at an adequate level.** Recent years have seen the purchasing power of the Fuel Allowance reduced. The overall value of the Fuel Allowance must now be increased by paying it for 32 weeks and increasing the weekly amount by **€15 inline with home energy inflation to a weekly amount of €48. Estimated cost of increased amount and payment period: €228 million.**<sup>21</sup>
- **Improve the targeting of supports for people at risk of energy poverty.** Households in work on low pay receive no support for energy costs. Budget 2023 should recognise this and extend the Fuel Allowance to recipients of WFP. **Estimated cost of expanding eligibility: €68 million.**<sup>22</sup>
- **Make access to free retrofitting fully equitable for those in local authority and private rented accommodation.** Budget 2023 should make provision to extend free energy upgrades to tenants in receipt of HAP on a pilot basis, subject to their landlord providing a long-term lease at an **estimated cost €20 million.**<sup>23</sup> The number of local authority homes being retrofitted each year must be increased, with 10% of the LA target upgraded next year at an **estimated cost: €45 million.**<sup>24</sup>
- **Pilot a programme of Community Energy Advisors** to bridge the gap between supporting households with immediate energy needs and enabling them to access longer term solutions including retrofitting. This should form a part of a just transition to greener energy and advisors would assist people with immediate energy needs, and longer-term routes out of energy poverty. **Investment for Budget 2022: €5 million.**
- **Invest in the Rural Transport Programme** to increase the range of public transport options to support social inclusion in rural areas through increased public transport use. Focussing on frequency, reliability, and affordability would enable more households to reduce transport costs and use sustainable options.

**Investment for Budget 2022: €50 million.**

21. This cost is for increased amounts and a longer payment period for current recipients.

22. Costing includes the increase and extension of payment period for 2023.

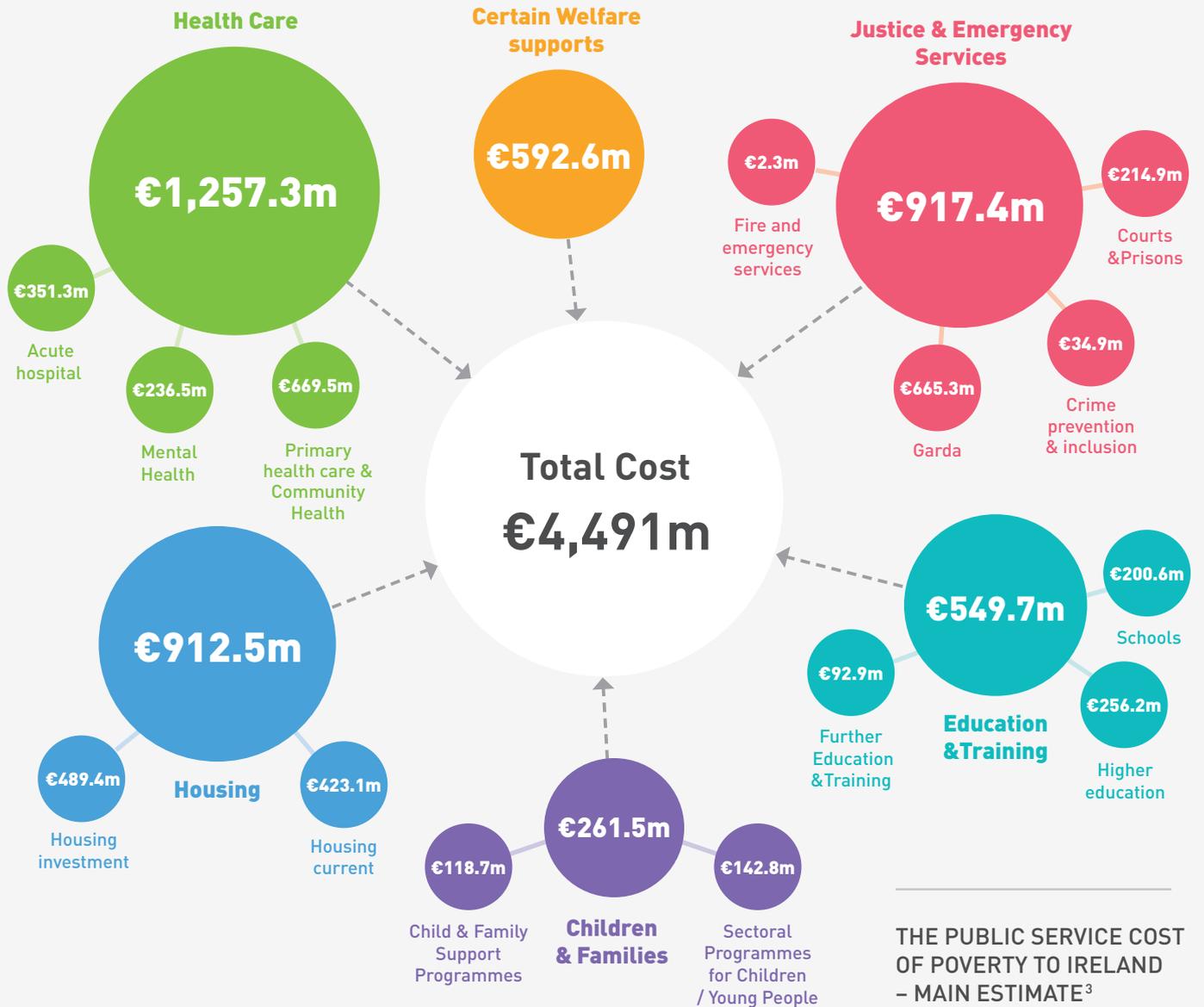
23. Based on the funding for the Midlands LA retrofit pilot: <https://www.gov.ie/en/publication/de8c5-midlands-retrofit-programme-for-local-authority-homes-2020/>

24. LA funding based on 2022 figures (€85 million for 2400 upgrades). <https://www.gov.ie/en/press-release/government-launches-the-national-retrofitting-scheme/>. To reach 10% of 2030 target (2030 target is 36500 LA homes, 10% next year would be 3650 homes) would need a total of €129 million, or an additional €44 million compared to 2022. <https://merriestreet.ie/retrofitting-programme-for-social-housing-announced.167193.shortcut.html>

# Investing to Save: The Public Service Cost of Poverty



Society of St. Vincent de Paul



THE PUBLIC SERVICE COST OF POVERTY TO IRELAND – MAIN ESTIMATE<sup>3</sup>

<sup>3</sup> The report establishes a main, low and high cost of poverty estimate for each category of public expenditure. Uncertainty coupled with data limitations means that the determination of an accurate point estimate for the public service cost of poverty would be difficult. Using a more conservative set of costing assumptions the low estimate determines a cost of €3bn per annum. As an attempt to determine the likely upper limit of these costs the high estimate provides a value of just over €7.2bn per annum. Figures have been rounded for the purpose of presentation.

Source: Collins, M. (2020) The Hidden Cost of Poverty : Estimating the Public Service Cost of Poverty. <https://www.svp.ie/getattachment/3b9f910a-4617-4592-abb0-edd0774f56e8/The-Hidden-Cost-of-Poverty-Executive-Summary.aspx>

## DATA SOURCES FOR INFOGRAPHIC

### POVERTY

Central Statistics Office (2021) Survey of Income and Living Conditions:

<https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditions-silc2021/povertyanddeprivation/>

### HOUSING AND HOMELESSNESS

Department of Housing (2022) Homeless Statistics

<https://www.gov.ie/en/publication/11b88-homeless-report-march-2022/>

SVP & RED C (2022) The Cost of Surviving:

<https://www.svp.ie/getattachment/9567466b-599f-4e1e-a33d-b03adae7d4fc/Red-C-2022-Report-The-Cost-of-Surviving.aspx>

### EDUCATION

South Munster MABS (2021) Educational Costs Survey

<https://mabs.ie/wp-content/uploads/2021/12/education-cost-survey-2021web.pdf>

Irish League of Credit Unions (2021) Back to School Survey

<https://www.creditunion.ie/news/latest-news/annual-ilcu-back-to-school-survey-shows-cost-of-se/>

### INCOME INADEQUACY

SVP & RED C (2022) The Cost of Surviving:

<https://www.svp.ie/getattachment/9567466b-599f-4e1e-a33d-b03adae7d4fc/Red-C-2022-Report-The-Cost-of-Surviving.aspx>

VPSJ (2021) Budget 2022 Impact Briefing

[https://www.budgeting.ie/download/pdf/budget\\_2022\\_-\\_mesl\\_impact\\_briefing.pdf](https://www.budgeting.ie/download/pdf/budget_2022_-_mesl_impact_briefing.pdf)

### ENERGY

SVP & RED C (2022) The Cost of Surviving:

<https://www.svp.ie/getattachment/9567466b-599f-4e1e-a33d-b03adae7d4fc/Red-C-2022-Report-The-Cost-of-Surviving.aspx>

Commission for the Regulation of Utilities (2021) Covid-19 Arrears and NPA Disconnection Data

<https://www.cru.ie/wp-content/uploads/2021/06/CRU21065-Covid-19-Arrears-and-NPA-Disconnections-April-2021-Update.pdf>



Society of St. Vincent de Paul





Society of St. Vincent de Paul

**Society of St Vincent de Paul  
National Office**

SVP House  
91/92 Sean McDermott St.  
Dublin 1

Telephone: +353 1 884 8200

Email: [info@svp.ie](mailto:info@svp.ie)

**[www.svp.ie](http://www.svp.ie)**

Twitter: [@SVP\\_Ireland](https://twitter.com/SVP_Ireland)

Facebook: <http://www.facebook.com/SVPireland>

Instagram: [@svp\\_ireland](https://www.instagram.com/svp_ireland)

This publication has been produced by the Social Justice Team in SVP National Office.