

Budget 2024: Will it reduce poverty?



SVP Detailed Budget Analysis

Budget day is a key date in the social justice calendar as we wait to hear how the Government will allocate the resources of the State and which measures will reach those on the poverty line.

Our [pre-budget submission](#) published in July focused on four key pillars:

1. Protect people's incomes and guarantee the essentials
2. Prioritise children in poverty
3. Promote access to good quality jobs
4. Prevent poverty through affordable and accessible services

With the dust settling on the Budget, it's now time to take stock and assess the difference it will make to the lives of those SVP supports on a weekly basis.

1. Did it protect incomes and guarantee the essentials?

Key SVP measures delivered: Adjustments in social welfare rates welcome but inadequate.

The cost of living crisis has not gone away and while inflation has slowed, prices are not falling. Minimum essential costs have increased by an average of 10.6% nationally in the last year, with a cumulative increase of 18.9% in the last three years.

One-off measures provide temporary relief in the short term but adjustments in Budget 2023 and Budget 2024 did not protect the real value of core social welfare rates. Rates were adjusted by €12 but required a minimum €27.50 adjustment to restore its purchasing power to 2020 levels. We are also disappointed the Government did not use the opportunity to recognise the extra costs of disability and introduce a separate weekly payment.

The extra lump sum Fuel Allowance payment this winter will help people keep the heating on but the weekly rate is frozen for the third year in a row, making it more difficult to afford ongoing use. SVP had sought a €680 increase in the allowance over the winter months to help people pay their bills. We also regret that the payment was not extended to the over 50,000 families in low paid work and receiving the Working Family Payment.

Conclusion: The budget did not adequately protect incomes or guarantee access to the essentials. SVP will continue to advocate for a social protection system that is benchmarked against the cost of a Minimum Essential Standard of Living.

2. Did it prioritise children in poverty?

Key SVP measures delivered: Free school books at junior cycle, Child Benefit for students age 18, early years support for children experiencing disadvantage through a new Equal Participation Model and extra supports to provide access to early years services for children experiencing marginalisation, proposals to expand a Child Benefit type payment to children in direct provision, extra supports for children with additional needs and an increase in the capitation grant to schools to help reduce requests for parent contributions.

This year the Budget was positioned as one that would make significant strides on the issue of child poverty with the promise by the Taoiseach to make Ireland one of the best places to be a child. With 70% of calls to SVP coming from households with children we placed a sharp focus on the issue of child poverty in our pre-budget submission and are pleased to see several of our asks delivered. We really welcome the action on education costs and expect to see another decrease in calls for help next year with back to school costs when these measures come into effect. The early intervention supports for children in childcare settings have huge potential to break the cycle of poverty.

Nevertheless, it is impossible to tackle child poverty without targeted income supports and the €4 increase in the Qualified Child Payment is wholly insufficient. We needed a minimum €10 increase for children under 12 and €15 increase for children over 12 to make progress on reducing child poverty. We also didn't see extra support for children experiencing homelessness and given the number of children without a home we hoped this would be a priority.

Conclusion: This budget did prioritise children in poverty with many welcome measures but we need action on income supports if we are to see sustained progress on tackling child poverty.

3. Did it promote access to good jobs and opportunities?

Key SVP measures delivered: Increase in the students grant, increase in the National Minimum Wage, improvements in the Working Family Payment and supports for students studying part-time at undergraduate level.

In work poverty is a core issue of concern for SVP and we wanted the Budget to provide access to good quality jobs and opportunities. For many, the first step is access to education and training. A long term ask for SVP was to expand SUSI supports to those studying part

time. We are delighted to see that a pilot will be initiated in 2024 to see how lone parents and people with disability can access SUSI support to study part-time.

The increase in the National Minimum Wage is welcome but is still €2.10 per hour short of a real living wage. The increase in thresholds for the Working Family Payment will also make a real difference. However, it is disappointing that thresholds for secondary supports such as the Back to School Allowance weren't adjusted so working families don't lose access to this important support when their wages go up. Overall, the tax changes did not benefit those on the lowest incomes most and additional supports should have been provided to low income workers.

The reduction in childcare costs is welcome but we needed to see an increase in subsidies for those on the lowest incomes (earning less than €26,000) to open up opportunities for low income families.

Conclusion: The budget provided some much needed measures to provide pathways to further education but much more could have been done to support the needs of low income workers.

4. Did it provide access to good quality services?

Key SVP measures delivered: Public transport fee reduction and action on vacant housing.

Aside from the investment in education and childcare, SVP had called for key measures in the areas of energy efficiency, public transport and housing.

SVP welcome the continued reduction in public transport fees but are disappointed to see no investments in the Rural Public Transport scheme to expand the routes and fleet.

On housing, we welcome the increase in the Vacant site levy but wanted to see more action on Local Authority vacant units to bring them back into use. SVP wants Housing for All to deliver on its commitments. However, the overall targets are not ambitious enough and allocation for homeless prevention is totally inadequate. The increase in rent relief for tenants is welcome, but unfortunately, the Budget is weak on prevention and tenancy sustainment measures. We needed a dedicated homeless prevention budget, an end to HAP top ups and a special rent arrears fund to prevent more low income families entering homeless accommodation.

SVP regret that the Government has not introduced a scheme of Community Energy Advisors – we see this as a key service to help support those in energy poverty access supports and grants.

Conclusion: The budget focused on immediate pressures and while the Future Ireland fund is welcome, the budget did not provide sufficient investment in the services and infrastructure projects that would enhance the well-being of society.