



*Irish Rural Link*  
*Nasc Tualthe na hÉireann*

**A VOICE FOR RURAL IRELAND**

# IRISH RURAL LINK

Budget Summary 2019



## Budget 2019

There continues to be an imbalance across the country in terms of growth and employment. The rate of growth in many rural areas is still lagging behind major urban centres. The lack of essential public services and infrastructure, such as transport and broadband, continue to exclude people, especially marginalised and disadvantaged groups from fully participating in society and contributing to the economy.

Although Government Departments saw an increase in their budget for 2019 and Irish Rural Link welcomes these increases, they are still quite modest and will not make any real impact on improvements to people's lives or to public services, especially in rural areas. With the National Broadband Plan still at procurement stage we urge Government to undertake the roll out of this as a matter of urgency.

While IRL had called for no increase in carbon tax or excise duty on diesel as this would impact most on people already living in fuel poverty or on low incomes who need their car to get to work. A carbon tax will not change behaviour for many people as alternatives are very often not available, affordable or viable in rural areas. Serious conversations must now be held between Government and all stakeholders to set out measures that can reduce carbon measures while not making people on lower income scales financially worse off.

## Rural and Community Development

The Budget allocation for Rural and Community Development will increase by €62million in 2019 to €293million. While we welcome this increase, the budget for the department falls far short of what is needed to ensure there is any significant development in rural areas and that community services are well resourced million and to ensure the actions and commitments outlined in *"Realising our Rural Potential: Action Plan for Rural Development"* are to be achieved.

The following is a breakdown of some of the Programmes/Schemes where the budget will be allocated. We await further details on funding of other programmes.

- LEADER Programme: €30 million will be allocated to the LEADER programme in 2019.
- Town and Village Renewal Scheme: €15 million will be allocated to this scheme in 2019.
- Rural Recreation: €11 million will be allocated for rural recreation projects in 2019.
- CLÁR Programme: €5 million will be made available for CLÁR.
- An allocation of €2 million will be made to Local Authority preparation for roll out of the National Broadband Plan.
- The Community Services Programme (CSP) will be allocated funds of €46 million.
- Social Inclusion and Community Activation Programme (SICAP): This programme will be allocated €43 million.
- €12.7 million will be made available for other supports and initiatives in

the C&V Sector. We await further details of these initiatives.

- Charities Regulatory Authority will receive €4.6 million in funding from DRCD.
- €55 million has been made available to invest in rural towns and villages through the Rural Regeneration and Development Fund.
- The Walks Programme will receive an additional €2 million in funding for the expansion of the programme bringing total allocation for 2019 to €4 million.
- The Dormant Accounts Fund will be allocated €2.4 million in additional support. The total Dormant Accounts allocation for 2019 is €12.6 million.
- Library Development: €3.3 million in additional funding will be allocated to support the Library Strategy.
- Programme for Peace and Reconciliation (PEACE IV 2014-2020): Additional funding under the cross-border PEACE Programme will bring total allocation for 2019 to €5 million.
- The Community Enhancement Programme will receive €2 million to enhance community facilities in disadvantaged areas.

## Broadband

€87 million will be allocated to support the National Broadband Plan and promote digital adoption among small businesses and citizens.

The tender from the only bidder left in the procurement process is currently being

evaluated and we await the outcome of this. This evaluation must be expedited and roll out of the final stage of NPD begin.

The lack of decent quality broadband is hindering the development of rural areas and hindering businesses from expanding and creation of new businesses.

## Transport

Access to public transport continues to be a challenge for many people living in rural areas and can prevent people accessing other services such as health, education, employment and is a contributory factor of rural isolation.

Very little information is available on what the allocation for transport will be in 2019, especially for Local Link services. The Department have an allocation of €2.3 billion, with 34% or €788m of this going on 'mobility measures' to include improved PSO bus and rail services. IRL are calling for more details to given on breakdown of this €788m and the budget for the Rural Transport Programme.

An extra €5 million has been allocated by the Department of Employment Affairs and Social Protection towards the Free Travel Scheme, bringing the budget for this Scheme to €95 million for 2019.

## Health

The overall Health budget for 2018 is approx. €17 billion of which €16,360m will be for current expenditure. With the Sláintecare Implementation Strategy published in August of this year, €200m

has been allocated to implement this strategy.

As part of Sláintecare implementation:

- €20m+ will be provided for and 'integration' fund to implement slaintecare.
- €55million additional funding will be allocated to mental health services.
- €75million in funding for National Treatment Purchase Fund to reduce waiting times.
- €6.7 million in funding for the National Children's Hospital
- Prescription Charges: Prescription charges for medical card holders aged over 70's will reduce by .50c to €1.50 per item. IRL welcome this measure and hope it is a first step to abolishing prescription charges.
- The income threshold for GP visit card will increase by €25 per week.
- The monthly threshold for Drug Payment scheme has reduced by €10 per month.
- €2.5 million for 100 new therapy posts will be provided to address assessment of need waiting lists for children with disabilities. +€12 million for disabled school leavers.
- €9 million will be allocation for Cervical Check Screening Programme and extend HPV vaccine to boys. An Action Plan for Women's Health will be developed in 2019.
- There are no details on Homecare packages, primary or community care.

The HSE service plan for 2019 will be published in December and we await if there are more details contained in this.

## Social Protection, Employment and Job Creation

### Social Protection

An increase of €5 per week in all social welfare payments was announced for Budget 2019. However, this increase will not come into effect until week beginning 25<sup>th</sup> March 2019. Although this increase is welcome, it is inadequate to afford a basic standard of living for those people dependent on social welfare payments in rural areas. We highlighted in our PBS the income inadequacies for a number of household types in rural areas; e.g. a pensioner living alone in a rural area has an income inadequacy of €55.71 compared to pensioner in an urban area with an income adequacy of €8.59. A family with 4 children and two parents' dependent on social welfare have an income inadequacy of €205.91. (VPSJ, 2018).

Table 1 below outlines the new rates for some of main social welfare payments.

**Table 1: New Rates of Weekly Personal Social Welfare Rates**

Personal Social Welfare Rates	2018 Rate (€)	2019 Rate (€)
Jobseekers Benefit	198.00	203.00
Jobseekers Allowance (18-24 yrs)	107.70	112.70
Jobseekers Allowance (25 years)	152.80	157.80
Jobseekers Allowance (26 years and over)	198.00	203.00
Contributory State Pension	243.30	248.30
Contributory State Pension (80 years and over)	253.30	258.30
Non-Contributory State Pension	232.00	237.00
Non-Contributory State Pension (80 years and over)	242.00	247.00
Carer's Benefit	215.00	220.00
Carer's Allowance	214.00	219.00
Disability Allowance	198.00	203.00
Farm Assist	198.00	203.00
One-Parent Family Payment	229.80	237 (U-12) 240 (Age 12 & over)

Source: Department of Employment Affairs and Social Protection

### Other Social Welfare Payments

- 100% Christmas Bonus will be paid in December 2018 to recipients of a long-term Social Welfare payment.
- Living Alone Allowance: There was no change to the Living Alone Allowance of €9 per week or in Child Benefit rates, which remains at €140 per child in 2018. No increase in Telephone Support Allowance announced in Budget 2018 and introduced in June of this year.
- The qualified child rate on weekly social assistance payments will now pay a higher rate for children aged 12 and over. There will be an increase of €5.20 to €37 for each child in this age cohort and a €2.20 increase for children under 12.
- Earning disregard for working lone parents receiving One-Parent Family Payment or Jobseeker's Transition Payment to increase by €20 to €150 per week.
- Working Family Payment formally FIS will have a maintenance disregard of €95 per week in respect of housing costs, with the remainder to be assessed at 50%.
- Back to School Clothing and Footwear Allowance will increase by €25 increase for each qualifying child.
- A new Hot School Meals Pilot Programme for DEIS schools to commence in 2019. The schools will be selected in terms of need. More details to come on this.
- The weekly Fuel Allowance of €22.50 will be extended to 28 weeks in 2019 from 27 weeks.

- Free Travel Scheme – as outlined in the Transport section, a further 5 million was allocated to the Free Travel Scheme bringing the budget for this scheme to €95million for 2019.
- Income disregards for Farm Assist and other payments remain the same.

### Employment Schemes

- Minimum Wage: A .25c increase in the National Minimum Wage to €9.80 per hour will come into effect from 1<sup>st</sup> January 2019. This increase is welcome, however like social welfare payments does not afford a decent standard of living for people on minimum wage living in rural areas.
- Employment Schemes (CE, RSS, TÚS): While people on these schemes will receive a €5 increase in their social welfare payment, there was no increase in the number of places on these schemes. There will be funding of €2 million available for materials for CE scheme.
- Self-employed will become eligible for Jobseeker's Benefit. This will be introduced in the 4<sup>th</sup> Quarter of 2019.
- New Social Insurance Parental Benefit payment for employees and self-employed to be paid for two weeks for each parent will commence in November 2019 – there will be incremental increases on this with the ultimate aim being 7 weeks for each parent.

## Training

- National Training Fund Levy: The NTF levy will increase by 0.1% in 2019 to give a total fund of €69m
- There will be a new Human Capital Initiative established within the NTF. €300 million will be allocated to this fund over the period 2020-2024 to meet future skills needs and provide additional investment at levels 6-8 in higher education.
- €57 million will be reallocated from NTF funding of FET for employment programmes below NFQ Level 5 to the Exchequer.
- SpringBoard: 1000 additional Springboard places will be made available with a €4 million increase to €34 million allocated to the programme.
- Training in Employment: €6.3 million in extra funding will be allocated to Skillnet Ireland with new funding line of €11 million for the implementation of the new Solas/ETB framework to upskill lower skilled workers and support SME's.
- Apprenticeships: €29 million will be made available for Apprenticeship programme, to include 7,000 apprenticeships registrations, an increase of 1,200, 5,000 traineeship enrolments and 10 new apprenticeship schemes.

## Job Creation

- 13.5% VAT rate on Hospitality Sector: The special rate of 9% VAT for the hospitality sector, which was brought in to improve the industry and creates will increase back to 13.5% from 1<sup>st</sup>

January. It will be important that the impact of this increase on smaller hotels, B&B's, restaurants etc in rural and remote areas will be monitored closely.

- Trading Online Voucher Scheme: €3 million will be spent by Dept of Communications to support a further 1,500 SME's to develop their digital capabilities.
- Retail Online Pilot Scheme: A €1.25 million scheme to support the digital online capability of the retail sector in Ireland is being rolled-out and will be delivered through two competitive calls.
- Local Enterprise Offices: An additional funding of €5 million will be allocated to LEO. This extra funding will be done through a competitive process.
- €2.75 will be made available for a SME Regional Innovation and Technology Clusters Programme.
- €1.8 million will be invested in Design Craft Council of Ireland to expand marketing and development programmes to support craft enterprises to develop, explore new markets and widen their consumer base.

## Brexit

- A new €300 million Long-term Future Growth Loan Scheme has been established to meet the needs of businesses – SME's and Microenterprises who are impacted by Brexit. IRL will be calling that SME's and Microenterprises in the Border counties be prioritised in this scheme.
- €8 million extra allocated for staff and supports in the Dept and Enterprise agencies to deal with Brexit.

- InterTrade Ireland: An extra €1 million will be made available to InterTrade Ireland Brexit Response. This additional funding will allow ITI to meet the support needs of SME's and Microenterprises in terms of Brexit.

## Climate Change

Fuel and Energy poverty rates continue to remain for many people and families in rural areas; especially for those on fixed or low incomes and it is for these reasons we welcome there was no increase in the carbon tax or excise duty on diesel and petrol. However, we are now calling on Government to have serious dialogue with all relevant stakeholders on how carbon emissions can be tackled in a fair and just way so no person, especially people on lower pay scales are made worse off financially and how to make greener alternatives more affordable for people.

An extra €19 million in current expenditure and an extra €47 million in capital expenditure is being allocated to the Department of Communications, Climate Action and Environment in 2019.

€164 million will be made available for investment in targeted measures to achieve Ireland's energy efficiency and renewable energy objectives. Includes;

- energy efficiency upgrades in the residential, commercial and public building stock,
- promotion of renewable energy and;
- incentivise the use of electric vehicles.

€70 million will be made available for promotion of environmental protection, waste prevention and the climate change

agenda, alongside the remediation of environmentally degraded landfill sites.

We await further breakdown of these measures in the coming week.

## Agriculture

The Budget for Department of Agriculture, Food and Marine for 2019 is approx. €1.6 billion. A further €1.2 billion will be allocated from EU funding for the basic payment.

A new pilot scheme targeted at Suckler farmers was announced as part of Budget 2019. The Beef Environmental Efficiency Pilot Scheme (BEEP) will be allocated €20 million. The aim of this pilot scheme is to further improve the economic and carbon efficiency of Irish beef production.

€638 million will be allocated for the Rural Development Programme including: -

- €203 million for Agri-environmental schemes (Incl AEOS/GLAS/Organics)
- An additional €23million for Areas of Natural Constraint bringing 2019 allocation to €250 million.
- €70 million for Targeted Agriculture Modernisation Schemes (TAMS)

## Brexit Package:

A 'Brexit Resilience Package' of €78 million has been provided for in the Budget. This includes:

- €44m of direct aid to farmers which includes the €23m for farmers in ANC as outlined above and €20m for the BEEP. Also €1m will be allocated to the

horticulture sector within this package.

- €27 million available for supports to the food industry to include:
  - €13m in supports for food industry competitiveness and innovation.
  - €3 million for Artisan and Micro food and beverage programmes through the Leader Programme
  - An additional €5 million for Bord Bia, bringing the total Grant in Aid to €46.6 million.
  - €6m in funding to progress an €8 million Food Innovation Hub, of which €2 million was provided in 2018.
- The Agri and food sector are also eligible for the Future Growth Loan Scheme as outlined above.
- €7 million will be allocated to DAFM for staff and IT costs from additional import control and export certification requirements arising as a result of Brexit.

#### Income and Tax

- The restriction that operated to disallow income averaging relief for farmers with off-farm income has been removed.
- Reliefs for the sector have been extended for a further three years including; stamp duty exemption on transfers of land to young trained farmers; 25% general stock relief on income tax; 100% stock relief on income tax for certain young farmers and 50% stock relief on income tax for registered farm partnerships.
- Most farmers, foresters, fishermen and small food processors are self-

employed, they are entitled to the increase in the earned income tax credit by €200 as outlined by Department of Social Protection and Employment Affairs.

- The 5.4% VAT flat rate addition will be maintained for unregistered farmers.

#### Crime

- The Garda budget has increased by €110 million from €1.65 billion to €1.76 billion
- Up to 800 new Gardaí will be recruited and further civilians recruited to redeploy Gardaí to front line duties.
- An additional €3.5 million for training and €1.5 million related to the deployment of Garda Mobile Technology (handheld devices to process information in real-time) will be provided for.

## **Irish Rural Link the Organisation**

Irish Rural Link (IRL), formed in 1991, is a national network of organisations and individuals campaigning for sustainable rural development in Ireland and Europe. IRL, a non-profit organisation, has grown significantly since its inception and now directly represents over 600 community groups with a combined membership of 25,000.

The network provides a structure through which rural groups and individuals, representing disadvantaged rural communities, can articulate their common needs and priorities, share their experiences and present their case to policy-makers at local, national and European Level.

Irish Rural Link is the only group represented at the national social partnership talks solely representing rural communities' interests.

***‘Our vision is of vibrant, inclusive and sustainable rural communities that contribute to an equitable and just society’***

Irish Rural Link's aims are:

- To articulate and facilitate the voices of rural communities in local, regional, national and European policy arenas, especially those experiencing poverty, social exclusion and the challenge of change in the 21st century
- To promote local and community development in rural communities in order to strengthen and build the capacity of rural community groups to act as primary movers through practical assistance and advice.
- To research, critique and disseminate policies relating to rural communities including issues such as sustainability, social exclusion, equality and poverty
- To facilitate cross-border networking between rural communities.

***‘Our mission is to influence and inform local, regional, national and European development policies and programmes in favour of rural communities especially those who are marginalised as a result of poverty and social exclusion in rural areas.’***

