



Irish Rural Link
Nasc Tuathé na hÉireann

A VOICE FOR RURAL IRELAND

IRISH RURAL LINK

Budget Summary 2023

Irish Rural Link is core funded by the Scheme to Support National Organisations (SSNO) under the Department of Rural and Community Development through Pobal.



Budget 2023

Budget 2023 was brought forward to September 27th and was framed as a ‘Cost of Living’ Budget with measures announced intended to help people and families with rising prices. Inflation for remainder for 2022 is now expected to be 8.5% and forecasted to fall to 7% in 2023. Growth is expected to fall to 1.25% next year.

An overall package of €11 billion was announced to include a package of once-off measures of €4.1 billion and budgetary measures for 2023 of €6.9 billion.

We do not believe that the measures announced will go far enough for many households living in rural areas, especially low and fixed income households. While we welcome some of the once-off payments that will come into effect in the coming weeks, these are short term measures to address financial pressure now. Once these payments are spent, the increases announced in core social welfare payments of €12 per week will not be enough to cover the increasing costs households will continue to face. It also will not address long-term poverty or help those living in poverty and have done so even prior to the current crisis. New recipients of social welfare payments or living alone and/or fuel allowance in January 2023, will not receive any of the lump sum payments announced.

The free-book scheme for primary school children will ease the cost of back to school for some families next September but no long-term investment measures in transport for rural areas that could reduce the reliance on two cars were announced. Such investment would go some way to ease rising cost of running a car for rural households. Without it, it continues to exclude people who do not have access to a private car.

IRL had called, in its’ pre-budget submission for a low cost loan scheme to support households to finance the difference in the cost of retrofitting. We welcome the announcement made on Budget Day that a low cost loan scheme will be introduced and we await more details on this. However, such a scheme needs to go to those low-income households who need it the most and repayments be made on ability to pay so they can move away from reliance on fossil fuels.

As we continue to face months of high energy costs and rising food prices, we are concerned that people will be pushed further into poverty and more people will be pushed into poverty.

Rural and Community Development

The Budget allocation for Rural and Community Development will increase by €14million in 2023 to €393million. An extra €10million has been allocated for current spending with €4million to capital

spend. A further €11million has been allocated to the Department to help with community based assistance for those arriving from the Ukraine.

Over €200million will be available in funding for rural development, while €190 is being allocated for Community development. €196 million will be available for capital funding and €197 for current expenditure supports.

The following is a breakdown of some of the Programmes/Schemes where the Budget for **Rural Development** will be allocated.

- The Rural Regeneration and Development Fund: €60 million will be allocated to this programme in 2023.
- LEADER Programme: €46 million will be allocated to the LEADER programme in 2023. More details of funding for this will be available in January 2023 following publication of new CAP and Rural Development Programme.
- Town and Village Renewal Scheme: €19 million will be allocated to this scheme in 2022; an increase from €17 million.
- CLÁR Programme: €7.8 million will be made available for CLÁR.
- Local Improvement Scheme: €12 million will be available in 2023 through this scheme.
- Outdoor Recreation Infrastructure Scheme: €16 million will be allocated for outdoor recreation projects in 2023.
- Funding for Transport services and the maintenance and upgrade of infrastructure of the Islands will be increased from €13.2 to €14.2.

The following are some of the programmes and schemes where Budget will be allocated to **Community Development**:

- A one off immediate fund of €20 million will be made available before end of 2022 to help local community groups manage increased costs for service delivery, with half of this targeted at energy costs.
- During the Summer of 2022, the Department of Rural and Community Development launched a new Investment Fund for Community Centres. This fund will be open again in 2023 with an allocation of €20 million to provide funding for upgrades and improvements as well as a new funding stream to support new centres where they are needed.
- The Community Services Programme (CSP) will be allocated funds of €52.4 million, an increase from €48.9 million in 2022.
- Social Inclusion and Community Activation Programme (SICAP): Funding for this programme will be increased from €44 million to €46 million. An additional €10 million is also being provided under SICAP to allow Local Developments to support arrivals from Ukraine.
- There will be an increase in funding for the C&V sector from €18.3 million to €19.7 million.
- Supports for volunteering will increase by €1 million and PPNS by €0.4 million.

- Charities Regulatory Authority will receive increase in funding to €4.8 million.
- Water Safety Ireland will be allocated an increase in funding to €1.4 million from DRCD.

While we welcome the increase in overall budget for the Department of Rural and Community Development and the increases in the allocation of funding to some of the schemes and programmes within the Department, we feel it will not go far enough to restore the funding that was cut to the C&V sector during the financial crisis, especially now facing increased costs in delivery of their services. There is very little scope to grow or enhance service delivery with the funding that has been allocated.

Broadband

€218 million will be allocated to the continued roll-out of the high-speed broadband network – under the National Broadband Plan. Fibre broadband will 'pass' and be made available to an additional 80,000-85,000 premises in 2023, while almost 700 primary schools will be provided with high-speed connectivity by the middle of next year.

Delays during Covid-19 on the roll-out of the National Broadband Plan must be addressed and greater effort to ensure that the targets set out for 2023 are met.

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.

The Department have an allocation of €3.51 billion. An allocation of €563.5 million will be made to **Public Service Obligation (PSO) and Local Link services**. The breakdown of the allocation between both is not given and more details are needed on this. However, €185million of this funding will go to support the 20% average fare discount and residual pressures arising from suppressed passenger demand as a result of the Covid-19 pandemic.

We welcome that the **20% average fare discount** on public and rural transport will be retained for 2023 and the Young Adult Card will continue. This allows all young people between 19 and 23 to avail of half price transport. All students with a valid student leap card will also avail of half price travel. However, for many people living in rural areas, they are unable to get the full, if any benefit from this initiative, where there is little or no public transport available.

Funding has been allocated to Cork, Galway and Waterford train stations and rail services, but no allocation mentioned for other rail services outside these cities, apart from Dublin.

There is a lot of focus on investment in **Walking and Cycling**, including Greenways for across the country. €360 million will be invested in nationwide walking and cycling infrastructure with €60 million allocated to funding of greenways. There will also be funding from the €360m allocated to the roll out of the Safe Routes to School Programme.

Roads: There will be approximately €1.375 billion allocated for national, regional and local roads. €730 million in capital and current expenditure will be allocated to national roads in 2023 with €614 million for regional and local roads. Grant support will be provided to local authorities for targeted programmes to include:

- Road pavement resealing
- Bridge rehabilitation projects
- Climate adaptation and safety measures
- drainage works
- community involvement schemes on less busy roads.

Carbon Reduction Programme for Transport:

There will be €110 million made available in grant supports to switch to electric vehicles to include; purchase grant scheme for electric passenger cars (this is built into the price of the car and not given directly to the buyer), expansion of the home charging infrastructure scheme to include multi-unit dwelling, continuation of grant scheme for taxi and hackney drivers, Low Emission Vehicle Toll Incentive Scheme will continue. Some of these grant supports will be reduced in July 2023, making it more expensive for

those on lower income to ever switch to an electric vehicle.

There will also be a review of the scheme for public point charging.

Health

The overall Health budget for 2023 will be €23.4 billion. This is to be allocated across all of health to include addressing waiting times, older people services, mental health services and disability as well as drug services and women's health services. The allocation of the health budget will not be fully known until the HSE Service Plan will be published in December 2022. Some of the funding allocation that was announced include:

- €443 million to continue to reduce waiting lists and facilitate access to care. This includes €225 million of a once-off additional funding for 2023. Waiting lists were long before Covid-19 with many of these further delayed due to the pandemic. Ensuring that these are addressed must be a key priority for 2023.
- **GP Access Card:** No. of people eligible will increase.
 - By end of 2022 all children aged 6 and 7 years will be covered under the scheme.
 - From April 1st 2023, the income threshold to qualify for GP Access card will be expanded to households earning €46,000 or less.

While this move is welcome, it must be have the human resources to ensure card holders can access a local GP and not have to wait a number of weeks before seeing their GP.

- All inpatient hospital charges will be abolished from April 1st 2023. Saving a person up to €800 per year. If this is per admission or person needs to be clarified.

Older People Services:

- Once off additional support for Nursing Homes and hospices of €100 million will be made available this winter.
- €180million additional funding will be made available for older people services bringing total investment for 2023 for these services to €2.4 billion. This includes approx. €12 million for new developments. We await further information on what these new developments will be.
- Homecare: €50million will be allocated to fund 24 million hours of homecare. There will be a 15% increase of new home care hours.
- Day Care Centres and Meals on Wheels: €4.1 million will be allocated to the reopening of day care services many of who provide Meals on Wheels also. There will be **€1.8million** provided to maintain and expand the Meals on Wheels service nationally. We welcome the allocation of funding to MoW services but need further details if this is new funding.
- There will also be €47 million of additional funding for Nursing Home Support Scheme and €5.2 million allocated for the roll out of the Health Age Friendly Homes initiative and €4million for new safeguarding policy for the health and social care sector.

Mental Health Services:

- An additional €72.8 million will be allocated for mental health services in 2023, bringing total investment to over €1.2 billion. €14million will be made available for new developments and €43.8 million for existing level of service.
- Work will continue on the implementation of *Sharing Our Vision and Connecting for Life Strategies*
- €750,000 will be available for Counselling and Psychology training places.
- €9 million will be allocated for new Mental Health Developments to include:
 - Traveller Mental Health
 - Online CBT
 - Crisis Resolution Services
 - Enhanced services in areas of recovery, employment and tenancy supports for those with mental health difficulties.
- €2 million will be allocated for new accommodation, €5 million for emergency placements and €3 million for new development funding for emergency placement and additional capacity.

Disability Services:

- There will be an overall budget for Disability services of €2.3 billion for 2023. This will include:
- €109 million to support Existing Levels of Service.

- €29.3 million will be allocated for new developments.
- Once-off payment of €39 million will be made for the costs associated with activity during Covid-19. There will also be additional supports to assist HSE Section 39 organisations during current cost of living challenges.

Women's Health

- Funding of €62.9 million is being allocated to Women's Health in 2023 to include:
 - €1 million to fund additional Women's Health Hubs.
 - €3.8 million for screening services including Breast Check, Cervical Check and National Cervical Screening
 - €11.5 million for National Gynaecology Strategy.
 - Extension of free contraception to women up to the age of 30 years.
 - Other initiatives include Bioethics, reducing VAT on HRT and measures to address period poverty. We await further details on the publically funded IVF scheme.

Social Protection, Employment and Job Creation

Social Protection

An increase of €12 per week in all core social welfare payments was announced for Budget 2023. Employment payments such as CE, Tús and RSS schemes will get a top up of €5 on the increased weekly payment. The weekly rate increase will come into effect from January 2023. While we welcome the once-off payments; €400 for fuel allowance; €200 in Living Alone Allowance; Double payment in addition to Christmas Bonus, these will not go far enough for already struggling households who will continue to face high energy and fuel prices for many more months. We continue to highlight in our Pre-Budget Submissions the income inadequacies for a number of household types in rural areas, for e.g. a pensioner living alone in a rural area had an inadequate income of -€83.54. ([VPSJ MESL 2022](#)). With the continued increase in inflation across the board, we expect households' dependent on social welfare payments and minimum wage employment to continue to experience income inadequacy for the year ahead.

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	2022 Rate (€)	2023 Rate (€)
Jobseekers Benefit	208.00	220.00
Jobseekers Allowance (under 25 years)	117.70	129.70
Jobseekers Allowance (25 years and over)	208.00	220.00
Contributory State Pension	253.30	265.30
Contributory State Pension (80 years and over)	263.30	275.30
Non-Contributory State Pension	242.00	254.00
Non-Contributory State Pension (80 years and over)	252.00	264.00
Carer's Benefit	225.00	237.00
Carer's Allowance (Under 66)	224.00	236.00
Carer's Allowance (Aged 66 and over)	262.00	274.00
Disability Allowance/Blind Pension	208.00	220.00
Farm Assist	208.00	220.00
One-Parent Family Payment (Payment shown is increase of basic payment plus increase for one Qualified Child. Qualified Child increased by €2 for Budget 2023)	248 (U-12) 256 (Age 12 & over)	262.00 270.00

Source: Department of Social Protection

Once-Off Payments

A number of once-off payments to address the rising cost of living were introduced and will be paid during October, November and December 2022. These include:

- Those on core Social Protection payments will receive a Double Payment in October 2022.
- All households currently in receipt of Fuel Allowance will receive a Lump Sum of €400 in November 2022.

- Pensioners and people with a disability in receipt of the Living Alone Allowance will receive a Lump Sum payment of €200.
- Families in receipt of the Working Family Payment will receive a Lump Sum payment of €500 in November 2022.
- A cost of living payment of €500 will be paid to people receiving Carer's Support Grant and those on a long-term

Disability Payment in November 2022.

- All families with children will receive a double payment of Child Benefit in November 2022.

Other Social Welfare Payments

- Christmas Bonus Double Payment will be paid in December 2022 to recipients of a core Social Protection payment.
- Living Alone Allowance: There was no increase in the weekly payment of €22 of the Living Alone Allowance. The Lump Sum of €200 equates to approx. €4 for the year but new recipients in 2023 will not be eligible for this.
- **Fuel Allowance:** The weekly Fuel Allowance of €33.00 will not increase and remains at 28 weeks. IRL called for a 50% increase in the fuel allowance payment in its pre-budget submission. While we welcome the Lump Sum payment of €400, this equates to €14 per week for the duration of the payment.
- We welcome that there will be an expansion of households eligible for the payment. However, this won't come into effect until January 2023 so will not be eligible for the lump sum payment of €400.
- Means assessment threshold for Fuel Allowance will increase from €120 to €200. Half-rate Carer's Allowance will be disregarded in the means assessment for Fuel Allowance. New Means Test disregard for Fuel Allowance for people aged over 70.

This will be €500 for a single person and €1000 for a couple.

- Schools Meals Scheme increased by €20 million for 2023 to allow for continued expansion of the scheme.
- Working Family Payment Income Thresholds will increase by €40 per week regardless of family size. Income limit to qualify for a family with 2 children will be €692.00 (List of income limits in the Budget 2023 document).
- Domiciliary Care Allowance will increase by €20.50 to €330 per month with effect from January 2023. It will be available in respect of children with severe illness or disability who remain in hospital for up to six months after birth.

Employment Schemes

- Minimum Wage: The National Minimum Wage will increase by €0.80c on the 1st January 2023 from €10.50 per hour to €11.30. 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 who continue to face higher energy and transport costs.
- CE, RSS and Tús top-ups will increase by €5 from January 2023. Combined with the €12 increase brings total payment to €17.
- Farm Assist Means Test will exempt income from Agri-Environmental Scheme up to €5000. This will come into effect from January 2023.

Training and Education

- Free Book Scheme for Primary School will be introduced in Sept 2023.
- A number of once-off measures were introduced for third-level students for the remainder of 2022 to include:
 - Double SUSI Maintenance grant.
 - Student contribution is reduced by €1000 for undergraduate students who are eligible for free fees. Students on 50% student contribution rate gets a €500 reduction.
 - Students receiving the SUSI Maintenance Grant will get an increase of either 10% or 14% from January 2023.
- Measures for 2023/24 Academic Year
 - Income Threshold for the 50% student contribution increases from €55,240 to €62,000.
 - Student Contribution will be reduced by €500 for families earning between €62,000 and €100,000.

Apprenticeships:

- Student contribution fee reduced by 33%.
- Over 2000 additional craft apprenticeship training places.
- 500 additional places on consortia-led apprenticeship programmes.
- 4,500 registrations on craft programmes.

SME's

- The special Covid-19 VAT rate of 9% COVID-19 on Hospitality Sector will continue until 28th February 2023. It will increase back to 13.5% thereafter.
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- **Local Enterprise Offices:** An additional funding of €4 million will be allocated to LEO. This funding will include a new grant for microenterprises for energy efficiency.
- **Temporary Business Energy Support Scheme (TBESS):** €1.25 billion will be made available to provide businesses with up to 40% of the increase in electricity or gas bills up to €10,000 per month. This will be introduced in the coming weeks. It will be administered by the Revenue Commissioners, backdated to September, and will run until at least February 2023.
- **Ukraine Enterprise Crisis Scheme:** €200 million will be available to assist businesses in the manufacturing and internationally traded services sectors which are suffering the broader effects of the war in Ukraine as well as increasing energy costs. €2 million of this funding will be allocated for energy intensive companies impacted by the severe increases in gas and electricity costs. It will be administered through Enterprise Ireland, IDA and Údarás na Gaeltachta and eligible businesses must produce an energy efficiency plan which shows how they will get their energy costs down.
- **Ukraine Credit Guarantee Scheme.** €1.2 billion will be allocated to low-cost working capital to SMEs.
- A new **Growth and Sustainability Loan Scheme** will make up to €500 million in low-cost investment loans of up to 10 years available to SMEs, including farmers and fishers and small mid-caps. No collateral is required for loans up to €500,000. A minimum of 30% of the lending volume will be targeted towards Environmental Sustainability purposes.

Brexit

- Funding will be provided through the EU's Brexit Adjustment Reserve (BAR) to fund the Capital Investment Scheme assisting the meat and dairy food processing sectors and other enterprises which continue to adjust to the UK exit from the EU.

Environment, Biodiversity and Climate Change

With the continued increase in fuel and energy, there are

We feel more targeted measures should have been made for low and middle income households who don't have the financial capacity to make changes to make their homes more energy efficient and make the switch from fossil fuels. We welcome the introduction of low cost loans for households for retrofitting, which we called for in our Pre-Budget Submission but we need further details on this.

There is a total of €1.038 billion allocated to the Department of Environment, Climate and Communication. This includes funding for Broadband as outlined earlier and Post Offices. In relation to Environment and Climate some of the measures announced for 2023 include:

- €513 million will be allocated for energy transformation. This is a 34% increase from 2022 budget. Supports under this include:
 - €337 million will be allocated for residential and community energy upgrade schemes. This includes a Solar PV Scheme. €291 million of this funding is funded from carbon tax revenue.

-Target to upgrade energy efficiency of 37,000 homes to include 6,000 free upgrades under the SEAI energy poverty scheme.

€74.8 million will be allocated to improve energy efficiency and increase use of renewable energy in businesses and the public sector.

- €29 million for projects that are approved for EU and National Just Transition funds across wider Midlands area as well as the 56 projects currently being implemented.

Biodiversity:

- There was a 10.5% increase in the funding for the Heritage Sector within the Department of Housing, Local Government and Heritage. Total funding for Heritage is €147.5 million. Funding of €52.6 million will be allocated to NPWS. This is an increase of 20%.
- When this is combined with EU Funding for LIFE Programmes, Expansion of Local Authorities Biodiversity Officers giving total funding for nature and biodiversity of €90 million for 2023.

Agriculture

The Budget for Department of Agriculture, Food and Marine for 2023 is approx. €2.14 billion. This is an increase of €283 million or 13% on 2022 budget. 2023 will also see the new CAP being introduced and many funding measures announced in Budget 2023 will reflect this.

Farmers and Food Businesses will be eligible for the Business Energy Support

Scheme announced under the Department of Enterprise, Trade and Employment.

€105 million will be allocated for beef and sheep supports to;

- improve genomic performance (Suckler Carbon Efficiency Programme)
- Improve animal health and welfare such as the Sheep Improvement Programme, and welfare measures for beef and dairy beef calves. The purpose to support the reduction of emissions intensity for participating herds and flocks

€10 million will be allocated for the continuation of the Tillage Incentive Scheme in 2023.

Agri-environment - €500 million in funding specifically ring-fenced for agri-environment measures including:

- €200 million to allow 30,000 new farmer participants into the ACRES scheme in 2023.
- 12% increase in the forestry budget to €112 million to fund the new National Forestry Programme. This will be launched in the coming weeks.
- €37 million will be allocated to organic farming scheme. This is an 80% increase on last year. The scheme will re-open for new participants this Autumn.
- €18 million to fund locally-led environmental schemes. This includes a large-scale water scheme

on farms and to fund a new call for new EIPS in Q1 2023 on biodiversity, climate, rural environment and farm safety;

- TAMs budget increased to €90 million to fund the proposed large-scale investment in on-farm renewables for farmers. An immediate measure under this is farm dwellings are now eligible for inclusion for solar panel investments as a cost-of-living measure.
- €13.3 million allocated for extension of the Farm Environmental Scheme and the Soil Sampling Scheme for 2023.
- A targeted budget of €3 million for investment in pilot anaerobic digestion investment.

Farm Safety: €2.5m will be dedicated for farm safety budget to facilitate an expansion of farm safety, health and wellbeing supports. There will also be funding available through EIP's to support locally led farm safety. A percentage of the €90m TAMS funding will be allocated for farm safety investment.

Tax Reliefs for Young Farmers

- Renewal of Stamp Duty Relief for Young Trained Farmers and Stock Relief.
- Renewal of Capital Gains Tax Relief for Farm Restructuring and Stamp Duty Relief for Farm Consolidation to encourage the consolidation of farm holdings.

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.'