

## **TASC opening statement to the Budget Oversight Committee, March 8<sup>th</sup> 2023**

On behalf of TASC, I would like to extend my thanks to the Committee for the invitation. I am joined by Adeelia Goffe, senior health researcher, and by Roisin Greaney, climate justice researcher and community outreach officer.

We broadly welcome and support the findings of the Commission, chapters 13 & 15. The chapters set out, at a high level, some of the required tax and welfare reforms necessary to meet Ireland's climate and healthcare commitments. As the Committee is well aware, and as the report of the Commission makes reference to, Ireland's record on emissions is very poor. It was recently reported in the media that emissions per capita in Ireland were the highest of all EU countries.<sup>1</sup> This potentially reflects the strictness of Ireland's lockdown, as recent growth in emissions is a function of the strong recovery in economic activity. Regardless, Ireland normally ranks as one of the worst performers in terms of CO<sub>2</sub> emissions per capita.<sup>2</sup>

The Commission notes the progress Ireland has made in reducing emissions – since 2005 emissions have fallen by 12%. However, this figure flatters Ireland somewhat as 2005 represents the height of Ireland's construction bubble. While we accept that emissions have declined over the past decade as economic activity has increased, it is noteworthy that the Commission has made little reference to how Ireland is going to meet its emissions targets while at the same time massively expanding its housing stock.

While we broadly welcome the Commission's recommendations to phase out fossil fuel subsidies, equalise the rate of Excise Duty, and better reflect the societal cost of carbon dioxide emissions, we stress that these policies should be designed in a manner that address underlying inequalities. Targeted measures should be introduced in tandem with green taxation and subsidy removal to fully protect and support low-income households and those living in, or at risk of energy poverty to reduce their reliance on fossil fuels and build social approval for publicly-led climate action. Failure to do so will risk deepening existing inequalities and create fossil fuel lock-in for households across the state. TASC's most recent annual inequality report highlighted that low-income households have been hardest hit by the ongoing cost of living

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<sup>1</sup> <https://www.independent.ie/news/environment/ireland-had-highest-eu-greenhouse-gas-emissions-per-capita-in-q2-last-year-new-report-42294376.html>

<sup>2</sup> [https://stats.oecd.org/Index.aspx?DataSetCode=air\\_ghg](https://stats.oecd.org/Index.aspx?DataSetCode=air_ghg)

crisis given that basic necessities such as energy and food make up a greater share of their household budget.<sup>3</sup>

Finally, recognising the share of emissions contributed by the agricultural sector alongside the risk of an unjust transition on Ireland's rural communities, we note the absence of recommendations pertaining to how the current farm subsidy model could be reshaped to reward farmers for ecologically regenerative farming practices and address existing inequalities within the sector.

Regarding healthcare we acknowledge the major progress that Ireland has made in improvements in health, and especially life expectancy, in part due to improvement in treatment outcomes when care is required.<sup>4</sup> While it is important to acknowledge these gains, accessing the system remains a major problem. Waiting times for in-patient and out-patient care have grown tremendously over the past decade, not just during Covid. Healthcare expenses are relatively high, and we note a recent ESRI report that indicates more services should be met in community, as opposed to hospital settings.<sup>5</sup>

Ireland's system of dual public and private care adds to the system's complexity. We therefore welcome the Commission's proposal to gradually phase out subsidies for private health insurance in lieu of introducing a universal, Slaintecare model. It is not clear from the report what would happen with the additional funds the government would receive by phasing out the tax relief. We suggest the funds be earmarked for investment in universal provision, such as community care centres.

The report rightly makes reference to the damaging effects of smoking in elevating the risk of death. Indeed, smoking is the major lifestyle contributor to mortality and, unlike dietary factors, is significantly above EU norms. It should be noted that while smoking cigarettes has declined smoking e-cigarettes has grown in popularity among young people.<sup>6</sup> In conjunction with education and awareness raising, the government should standardise the fiscal treatment

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<sup>3</sup> [https://www.tasc.ie/assets/files/pdf/2205-4\\_tasc\\_inequality\\_in\\_ire\\_2022.pdf](https://www.tasc.ie/assets/files/pdf/2205-4_tasc_inequality_in_ire_2022.pdf)

<sup>4</sup> <https://www.civitas.org.uk/content/files/International-Health-Care-Outcomes-Index-FINAL.pdf> and

<https://www.oecd-ilibrary.org/docserver/4f7fb3b8-en.pdf?expires=1677759801&id=id&accname=guest&checksum=023DF4A187F113B8CC677DF284A45108>

<sup>5</sup> <https://www.esri.ie/publications/projections-of-expenditure-for-public-hospitals-in-ireland-2018-2035-based-on-the>

<sup>6</sup> <https://www.oecd-ilibrary.org/docserver/4f7fb3b8-en.pdf?expires=1677759801&id=id&accname=guest&checksum=023DF4A187F113B8CC677DF284A45108>

of e- and conventional cigarettes, unless it can be conclusively shown that such a move would deter switching such that overall health outcomes would be inferior.

We once again thank the Committee for the invitation and look forward to any questions you might have.