

The Liffey Champion

Tim Ryan, Oireachtas Correspondent

Outrage at imposition of VAT on food supplements

The increase on VAT on food supplements to 23% is shocking for huge numbers of people who need and rely on food supplements and vitamins, People Before Profit Deputy Gino Kenny told the Dáil. He said the move will have a profound effect on those who take vitamins as part of a health programme. It will also disproportionately affect older people.

“It will also have a profound effect on the many health food shops which will struggle to open because of this proposed hike,” he said. “A number of people who take supplements and vitamins as part of their health regime contacted our office over the weekend. They stated that if this proposed VAT hike is implemented, they will not be able to sustain their need for supplements and vitamins on their income. That is not their fault. The condition has chosen them, but that measure will disproportionately affect them.”

Deputy Kenny said he understood the Minister of State (Michael D’Arcy) has discretion as to whether to implement this hike. “There is major public opinion on this issue to the effect that if he implements this, it would be akin to putting VAT on children's shoes in the 1980s, and we saw how that ended up in terms of a Fine Gael Government. He should have a serious rethink about it,” he added.

In reply, the Minister of State said the standard rate of VAT applies to food supplements. However, there is a Revenue concession which allows a zero rate to be applied to certain types of food supplements such as vitamins, minerals and fish oils. “The practice of zero-rating vitamins, minerals and fish oil food supplements has been applied since the introduction of VAT in November 1972 when the marketplace for food supplements was small and the concession meant that vitamins, minerals and fish oil supplements were treated the same as food for VAT purposes,” he said.

The operation of the current concession has become problematic because of the efforts by some in the industry to exploit the concession to extend the zero rating beyond the scope permitted by Revenue, he said. Some businesses had challenged Revenue guidance and Revenue decisions on the VAT rating of products, giving rise to concerns about compliance within the industry and unfair competition between compliant and non-compliant businesses.

“Revenue published new guidance on 27 December concerning the rate of VAT that applies to food supplements, announcing its intention to apply the 23% VAT rate to most food supplements with effect from 1 March 2019,” he said. “It should be noted that human oral medicines, including certain folic acid and other vitamin and mineral products licensed by the Health Products Regulatory Association, will continue to apply at the zero rate of VAT. It is possible to retain these products at the zero rate because they qualify as oral medicines, which are charged to VAT at the zero rate in Ireland under an historical derogation to EU VAT law.”

Call for funding to expand Tidy Towns projects

Dublin Mid-West Fianna Fáil Deputy John Curran has asked the Minister for Rural & Community Development Michael Ring to consider putting a funding designated scheme in place for Tidy Towns projects, as he did for Men's Sheds.

Tidy Towns is a national organisation which impacts positively in every community throughout the country, he said. It would be worthwhile if there was an annual grants scheme which, for very small money, would have a huge impact.

“I looked at the results in my area for the Tidy Towns committees that had entered the national competition last year in Clondalkin, Lucan, Newcastle and Palmerston,” he said. “Each one of them has improved its score every year and people living in the area can see the value of it. With it comes pride of place. While I acknowledge committees can apply under the general scheme, I encourage the Minister to consider a designated scheme similar to the one for Men's Sheds specifically to develop Tidy Towns on a national basis.”

In areas which have not traditionally been part of Tidy Towns competitions, he said Tidy Towns committees are also being established and beginning to take part in the process. It is important that they be seen to be supported at Government level.

In reply, Minister Ring said since he took up office, he had made funding available to every Tidy Towns group in the country. “It is something at which I could and might look as no other group is more worthy of it, but it is all about the finances,” he said. “I was able to allocate the money from savings in the Department. Perhaps I might look at having something on a more permanent basis. In the rules and regulations I used for this and the Community Enhancement Scheme which probably did not suit everybody, I did not stop them from applying under both schemes because whatever funding they receive they spend very wisely. The criterion I used for Tidy Towns groups was they had to participate in the Tidy Towns competition.”

Need for programmes to engage with young people

The GRAFT and VALLEY youth projects which operate in the north Clondalkin area have resulted in an extremely low rate of re-offending, Deputy Gino Kenny told the Dáil. Those programmes engage with many people who are referred by juvenile liaison officers, he said.

Speaking during a debate on juvenile crime, he said these projects have been good at diverting people away from the criminal justice system.

“A mistake that people in society make is to demonise young people,” he said. “It is wrong to associate anti-social behaviour with young people because young people then grow through their early adult years thinking that everything they do is anti-social. What the banks did to this country is much more anti-social than the behaviour of young people. We need to challenge the inequalities in society and that is something that will not be done by a motion or an inquiry.”

Deputy John Curran said in the context of drug dealing, juvenile crime has changed significantly. “A decade or more ago, street dealing was done discreetly but is now done openly,” he said. “Many of those involved in dealing drugs on our streets and in our parks are juveniles. I do not know if they feel that nothing is going to happen to them or that they will get away with it but they are causing untold damage to their own communities. I also understand that, as juveniles, they are victims themselves.”