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**CHARITY BODY SLAMS CHANGE IN FISCAL POLICY**  
***“Policy will condemn people from all walks of life to inadequate public services”***

The Wheel, a body representing over 860 community, voluntary and charity organisations, today described the government’s decision not to restructure the tax system in the forthcoming budget as “extremely disturbing”.

The body said that the change in Government’s fiscal policy is in direct contrast to the commitment it made in its April 2009 supplementary budget to achieve a €4 billion adjustment in 2010 through a mix of increasing the tax take by €1.75 billion, reducing current expenditure by €1.5 billion and reducing capital expenditure by €750 million.

“This policy change is extremely disturbing and should be reversed in the interests of justice and fairness. If this new expenditure-cutting-only policy is implemented in the absence of a serious effort to deal with the State’s revenue shortfall through increasing the tax-take, then the adjustment will impose a totally unacceptable share of the burden on people dependent on state benefits and reliant on public services,” said Ivan Cooper, Director of Advocacy at The Wheel.

Mr Cooper warned that many vulnerable people would be hit by the effects of multiple cuts in the public services they rely on, whilst simultaneously struggling to get by on reduced state benefits.

“It will also condemn Irish people from all walks of life to inadequate public services – because the facts are clear on this: we simply collect nowhere near enough revenue through our taxation system to sustain the levels of public services most of us would expect,” he said

According to Mr Cooper the policy change emerged formally in the last week in October when the Taoiseach met with social partners – including the 17 organisations in the Community and Voluntary Pillar – and outlined Government’s new proposal to achieve the €4 billion adjustment by cutting €1.3 billion from the public services pay and pensions bill, €1.3 billion from the social welfare bill and €1.3 billion from the general services budget.

“We pointed out that Ireland will have a super-low total tax take of about 27% of GDP this year (in a context where a tax take of 35% is generally acknowledged as low) and that if vulnerable people are to be protected from paying the price for recovery then we require an integrated response to the social and economic crisis –a response that must involve increasing the tax take (as well as other elements such as securing public sector reform and achieving better value for

money in the delivery of public services) to put our public services on a sustainable financial footing,” he said.

“We also pointed out that Government forgoes potential taxation revenue of up to €8Bn per year through the operation of the 111 Tax Expenditures identified by the Commission on Taxation. Yet Government now appears intent on making no effort in Budget 2010 (other than an already announced revenue-neutral carbon tax) to even start implementing the recommendations in the Commission’s report – recommendations that would go a long way to increasing the tax take by the required €1.75Bn in 2010, whilst still leaving income tax rates at their current levels.”

“On behalf of the 860 community and voluntary organisations that are members of The Wheel – we call on the Government to return to their April commitments and aim to increase our overall tax take by the required €1.75Bn as a key element of a fair and just integrated approach to budget 2010,” said Mr Cooper.

He added that a budget that fails to address the adjustment through increasing revenue - in addition to securing necessary expenditure reductions that protect vulnerable people - will represent a profound injustice to our people, but particularly to people who are dependent on our state for income and services.

**NOTE TO EDITORS:**

Ivan Cooper, Director of Advocacy at The Wheel The Wheel is available for interview. Contact Gert Ackermann on mobile: 086 176 9287, or email: [gert@wheel.ie](mailto:gert@wheel.ie)

**ABOUT THE WHEEL:**

The Wheel is a national support and representative body for community, voluntary and charitable organisations. We provide a wide range of information and support services, advice and training to individuals and organisations involved in community and voluntary activity. We are also a representative organisation promoting both our members’ and the wider sector’s interests. [www.wheel.ie](http://www.wheel.ie)

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