

# VAT Is A Tax On The Poor

## ALONE COMMENTS ON BUDGET 2012 VAT ANNOUNCEMENT

Charity advises that Budget 2012 will result in further isolation of older people at risk

(To download this statement as a pdf please click here [Impact of VAT Taxes The Poor.](#))

December 6, 2011

ALONE, the charity dedicated to combating loneliness and isolation among older people, has commented on the effect that Budget 2012 will have on vulnerable older people.

Sean Moynihan, CEO of ALONE commented that “The measures detailed in Budget 2012 will have a further knock-on effect on the ability of a significant percentage of older persons to make ends meet. We find this additional burden on older people to be unfair in the extreme.

The VAT rise of 2% may not seem much to many but it is a lot to those who have the least, such as the 1 in 10 older people at risk of poverty with whom ALONE works.

The Consumer Price Index for October shows an overall price rise of 2.8% – this average does not give a true picture of the challenges faced by the most vulnerable. Reductions in the prices of some things offset the rises in others, to give a CSO average. For example, prices have gone down for ‘recreation and culture’, ‘restaurants and hotels’ and ‘alcoholic beverages’, but only the relatively well-to-do benefit from these reductions. The highest price rises effect everyone; ‘housing, water, electricity, gas and other fuels’ – up 10.2%; ‘miscellaneous goods and services’ (up by 6.4%); ‘transport’ (up by 3.6%); ‘health’ (up by 2.3%); ‘food and non-alcoholic beverages’ (up by 1.4%). These are survival areas for older people.

Not benefitting from price falls in areas that don’t affect them, vulnerable older people are hurt by rises in everything that does. The new VAT increase of 2% is an indiscriminate tax that punishes the poor, the impact of which has to be seen in relation to broader cutbacks in services and allowances.

Michel Noonan said today that people should not be “scaremongering the elderly”. With more than 10% rise in fuel costs taken alongside a 25% cut in gas and electricity allowances and 6 weeks of the fuel allowance period, the government have done quite enough scaremongering already.

We have grave concerns about a rise in the percentage of older people who will require assistance and support from us and other charities. Budget 2012

will lead to a substantial decrease in an already poor quality of life for some vulnerable older people.

He concluded, "We have to reiterate that we're aware of the fact that cuts need to be applied across the board, but in light of An Taoiseach's continuous references to 'making Ireland one of the best places in the world to grow old', we have to draw attention to the fact that across the board cuts have substantially more of a detrimental impact on the marginalised in society, including many older people, who rely on the government to fulfil their promises and provide a basic standard of living."

The charity provides a befriending service, emergency response, and permanent housing for older people in need of assistance. ALONE housing offers security of tenure for life, a maintenance service and the attention of professional support staff who develop individual care plans with 100 residents to maximise their independence.

The organisation launched its annual Christmas campaign, entitled "Some of us need a hand" last week, the title referring to the one in ten older people who are in need of support. The campaign encourages members of the public to support the work of ALONE during the winter months, and to also ensure that older people living alone in the community are checked on regularly.

For those who are concerned about their own situation after the budget announcements, or if you have concerns for an older person in your community, please contact ALONE at (01) 679 1032.

ENDS

For further information or comment from ALONE, please contact Glenn Hogarty 087 790 9670