



# COST OF LIVING

**Our Action Plan to drive down  
costs and take on price gouging.**

**Labour**

Our Mission is to protect and increase incomes, take on the root causes of high prices, ensure people get better value for their wages, reduce waste and give regulators more power to tackle price gouging and unfair trading practices.

We are constantly told Ireland is a rich country but far too many people have never felt poorer - despite many earning good wages. Families and businesses are struggling with the permanently increased cost of living, and higher bills.

Labour has a plan to ensure your wages go further. Little has been done to tackle price gouging or high costs. We know there simply isn't enough competition in Ireland, and regulators don't have enough powers to take on unscrupulous businesses.

Labour will deliver a Cost of Living Action Plan to give people more control over their own money and propose long term changes to address the root causes of high prices. We will resource the Competition and Consumer Protection Commission (CCPC) and provide it with new statutory powers to investigate and fine, give people greater protection, and strengthen the Small Claims Court procedure.

Stronger competition and effective regulation are central to reducing prices but as a small island, choice for Irish consumers on where to buy goods and services is often far too limited. Labour will appoint a Minister of State for Consumer Affairs with a mandate to improve competition, protect consumers and implement new policies to make a real difference on the cost of living crisis. We will also take on waste in public spending, and once and for all address the high cost of insurance.

### **Labour's Cost of Living Action Plan will:**

- » **Protect incomes from inflation.**
- » **Increase low pay rates.**
- » **Reduce electricity prices to the European average.**
- » **Tackle the high cost of insurance.**
- » **Crackdown on the waste of public money.**
- » **Give the CCPC stronger powers to investigate price gouging.**
- » **Increase the Small Claims Procedure limit from €2,000 to €8,000.**
- » **End the penalty on instalment payments like Motor Tax.**
- » **Make lower prices available by ending the loyalty penalty.**
- » **Ban automatic annual price increases in service contracts.**

## PROTECT INCOMES FROM INFLATION

Inflation reduces the value of salaries, pensions, and social welfare payments while the government benefits from an increased tax take on rising wages and prices. There is no requirement in Ireland to increase the value of tax credits or social welfare payments in line with higher living costs, but most other European countries have automatic increases linked to some measure of inflation or wage growth. Instead in Ireland any changes are announced as new measures at Budget time and there is no guarantee these will cover increased costs.

Labour will reform the annual budget process and provide for the automatic increase of income tax credits and bands, and social welfare payments to at a minimum beat inflation. In government we will develop a basket measure of inflation and wage growth to underpin future automatic increases. We will introduce a legally binding commitment as part of the annual Budget process that the proposed automatic increases will be published in July and then confirmed in October. Further additional increases of social welfare payments to deliver an adequate income will then be negotiated as part of the final budget agreement.

## INCREASE LOW PAY RATES

Ireland has a huge problem with low paid work, and Labour will ensure workers receive an adequate income to afford a decent standard of living.

Labour will reform the national minimum wage to deliver a living income tied to 66% of median hourly wages, abolish lower pay rates for young people, and extend the living wage to those in apprenticeships. We will address the prevalence of low pay in certain sectors of the economy through Fair Pay Agreements to be agreed in stronger Joint Labour Committees through the removal of the employer veto.

## REDUCE ELECTRICITY PRICES TO THE EUROPEAN AVERAGE

The Household Energy Price Index shows that in September 2024 Ireland had the second highest electricity prices in the EU. If these prices fell to the EU average it would save the average Irish household nearly €500 a year. Any gains from falling prices this winter will also be wiped out from increased network charges and the return of the PSO levy.

Labour will implement an action plan to reduce electricity prices because right now Irish families and small businesses are shouldering substantially higher costs compared to other EU member states. We will:

- » Commission an independent review of electricity costs and the current market design to determine the cause of high prices here compared to other EU countries and publish an action plan to drive down costs.
- » Develop social tariffs for heat pumps and households in energy poverty.



- » Place a moratorium on new data centres and study how this massive energy demand is impacting on electricity prices.
- » Use the State to fast track the rollout of offshore wind and other renewable energy sources with increased resourcing for the planning system and ports.

## TACKLE THE HIGH COST OF INSURANCE

Despite major reforms the cost of insurance remains well above European averages and is an excessive burden on business, the community and voluntary sector and households. The sector has been given the changes it wanted but has not delivered lower prices. Injury awards have come down and a dedicated Garda insurance fraud unit was set up, but motor insurance premiums are now rising at 15 times the rate of inflation. Labour will:

- » Establish a new office dedicated to promoting competition in the insurance market and maintain the Cabinet subgroup on Insurance reform.
- » Establish an independent review of the insurance market in Ireland to get to the bottom of costs and profitability.
- » Commit to a levy on profits if savings are not passed on as reduced premiums.
- » Develop and promote Pooled Group insurance schemes to help negotiate lower premiums for specialised sectors and use the Irish Public Bodies insurance company to offer affordable cover to the community and voluntary sector

## CRACKDOWN ON THE WASTE OF PUBLIC MONEY

Wasteful government spending diverts public money that could go to important public services and drives higher prices in the economy. It's time to trim the fat that has gathered under Fine Gael and Fianna Fáil's watch. The outrageous cost of the Oireachtas bike shelter and out of control spending on the National Children's Hospital should not have happened. Government Ministers are failing to manage projects under their watch.

Labour will reform and modernise the system of accountability and responsibility for Ministers and civil servants with a stronger system of delegated authority, and legislate for a duty of candour across the public service to enhance transparency and promote public trust.

Labour will carry out a Comprehensive Spending Review and Waste Audit across each Department and public agency of the State to examine every area of public expenditure, identify wasteful spending and deliver value for money. This will include an independent review of procurement across the whole government sector.

### GIVE THE CCPC STRONGER POWERS TO INVESTIGATE PRICE GOUGING

The CCPC will be strengthened to ensure people are not being ripped off. Labour will introduce new statutory powers, increased funding, and drive reform with a new Minister of State for Consumer Affairs. Labour has published an Excessive Pricing Bill to allow the CCPC to examine the profits and price setting policies of retailers and take enforcement action where prices are excessive. Labour will also:

- » Require grocery retailers operating in Ireland to publish their profits.
- » Give the CCPC the power to collect data and analyse the costs retailers incur, the profits taken, and the prices set, bringing transparency to the market while accounting for commercial sensitivities.

The CCPC will be given the power to impose larger fines including as a percentage of turnover for serious offences. The maximum level of fine that can be imposed ranges up to €5,000 which is not a real deterrent. Working with the government and other public bodies with oversight or regulatory roles, such as the Central Bank, the CCPC will also be mandated to improve competition and investigate the efficiency of markets including banking, insurance, legal services, the used car market, and the process of buying a home.

### INCREASE THE SMALL CLAIMS PROCEDURE LIMIT

The Small Claims Procedure limit of €2,000 has remained unchanged since 2006 and the fee of €25 isn't refunded if successful, acting as a barrier for claimants seeking small amounts. The European Small Claims Procedure has a limit of €5,000 so Irish consumers have better rights if buying from businesses in other EU countries compared to purchases made here.

Labour will increase the small claims procedure limit to €8,000, examine ways to waive or lower the application fee for cases involving a smaller amount, and resource the Courts Service to handle increased cases, collect data and publish reports on the outcome of cases.

### END THE PENALTY ON INSTALMENT PAYMENTS LIKE MOTOR TAX

Labour will remove the payment penalty for quarterly and half year motor tax payments and identify any other instalment payment penalties across the public sector and phase these out. The CCPC will also be asked to investigate the use of instalment fees for private services and calculate the cost burden that extra charges place on households.



## **MAKE LOWER PRICES AVAILABLE BY ENDING THE LOYALTY PENALTY**

Labour will ban loyalty penalties where lower prices are only made available to new customers. This will mean you can access the lowest available price when renewing your insurance policy or subscription service and cannot be charged a higher fee than a new customer. Companies will have to compete on price, not gimmicks or complex offers.

## **BAN AUTOMATIC ANNUAL PRICE INCREASES IN SERVICE CONTRACTS**

Labour will ban the inclusion of 'automatic price increases plus inflation' in mobile phone and broadband service contracts, as has already happened in the UK. People entering a contract should be explicitly told what future charges they will face rather than be subject to stealth price increases like these that allow companies to extract increased amounts from customers who are locked into contracts.

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