



Irish Association for Counselling and Psychotherapy

Pre-Budget Submission

August 2023



The IACP is seeking the following from Budget 2024



Expand School Counselling and Psychotherapy Pilot

Give our children and young people access to the help they need, when they need it.



Tax Relief

Fully extend tax relief to include counselling and psychotherapy, as a qualifying health expense. This will make it more affordable to people who need these supports.



VAT Exemption

Seeking equity of treatment and parity of esteem as mental health professionals delivering psychotherapy and counselling, with our peers who deliver physical health care.





The Irish Association for Counselling and Psychotherapy (IACP)

The IACP was established in 1981 to identify, develop and maintain professional standards of excellence in counselling and psychotherapy. Our work promotes best practice and the development of the profession.

The IACP represents more than 5,600 members based in communities all over the country and is the largest counselling and psychotherapy association in Ireland.

The IACP is calling on the Government to increase investment in counselling and psychotherapy with the ultimate aim of establishing universal access to counselling and psychotherapy for all in need. To support the achievement of this goal the IACP has identified three initial steps that must be prioritised in the 2024 budget:

1. School Counselling and Psychotherapy Initiative

The IACP is seeking a further commitment from Government to provide access to counselling and psychotherapy services to all primary and secondary schools.

The IACP welcomed the news earlier this year for the €5 million investment in the primary school counselling pilot. This initiative is a critical step towards giving children and young people access to the help they need, when they need it.

The Pilot Programme of Counselling in Primary Schools is an historic first step in establishing school-based counselling in Ireland and a positive move in the right direction. However, more investment is needed to ensure that counselling supports are a reality to all primary and secondary schools in Ireland.

Following the impact of Covid-19 and related restrictions, concerns over children's mental health have increased. Nationally representative general public surveys, commissioned by the IACP and conducted by Behaviour & Attitudes (B&A) over the last number of years consistently demonstrate the appetite for this essential service, with almost 9 in 10 supporting the idea of counselling/psychotherapy being made available through schools.

Cost

The IACP estimates that the cost of providing this service to both primary and second level pupils would be approximately €28 million per annum (€11.5 m for primary and €16.5 m for second level).

2. Expansion of Tax Relief to Counselling and Psychotherapy

The IACP is urging the Government to act swiftly to expand tax relief for counselling and psychotherapy services to be deemed an eligible expense in line with other health expenses. Minding one's mental health is an integral component of a person's general health and the fees for mental health services should be eligible for tax relief in the same way as physical health medical expenses are.

A nationally representative general public survey, commissioned by the IACP and conducted by Behaviour & Attitudes (B&A) in June 2023 found that not being able to afford therapy is the biggest reason that discourages people from seeing a counsellor/psychotherapist. When we asked the same question in 2019, 26% cited cost





as the main barrier, this year that figure has almost doubled to 50% of those surveyed saying that cost is a significant barrier to accessing mental health supports. In the 2023 survey, almost 9 in 10 (88%) Irish adults think that counselling/psychotherapy should be included as a tax relief/benefit similar to other areas such as medical expenses, dental and eye care.

Access to psychotherapy and counselling services are essential and should be considered as equally important as access to physical health services. We need to create parity of esteem between physical and mental health. Mental health must be given equal priority to physical health and expanding the tax relief for people seeking services will be one way to support this.

3. VAT Exemption

The IACP seeks equity of treatment and parity of esteem as mental health professionals delivering psychotherapy and counselling, with our peers who deliver physical health care, such as GPs and dentists. The application of the VAT exemption would bring counsellors and psychotherapists into line with the exemption currently available to psychologists. This would ensure equitable treatment of mental health professionals as well as removing the burden of taxation on clients when paying for essential therapeutic services.

The Government promotes mental health services as essential healthcare, but counsellors and psychotherapists must charge their clients a VAT levy of 13.5% on services provided if their turnover from the supply of taxable services exceeds an annual threshold of €37,500.

Cost

It is not possible to estimate the cost to the Exchequer of the IACP's proposal for tax relief and VAT exemption due to the absence or unavailability of good data on which to base assumptions.

However, the cost of investing in counselling and psychotherapy can be offset against their demonstrable effect on keeping people healthy. The across-the-board socioeconomic benefits of investing in counselling and psychotherapy services is an investment in our future, helping our nation recover and move on from the effects of Covid-19, and an investment in the overall health and wellbeing of all people.

Conclusion

Budget 2024 is a timely opportunity for the Government to respond to mental health needs, exacerbated and amplified by lingering effects of the Covid-19 pandemic. The IACP's modest and fair proposals would facilitate equal treatment for those accessing counselling and psychotherapy services in terms of tax relief and equal treatment, through reform of the VAT system, for mental health professionals.

In addition, and in order to address the growing need for timely access to counselling and psychotherapy services for children and young people, it is proposed that funding be provided to expand the pilot Programme of Counselling in Primary Schools to all primary and second level schools.

The proposals contained in this pre-budget submission would not only improve and increase access for individuals to essential therapeutic supports, but they would also help to alleviate the demand on an already over-burdened public mental health system, in particular access for our young people to CAMHS.

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