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## Budget 2023: Hairdressers appeal for support amid energy hikes and staffing issues

BUDGET



Hairdressers have appealed to the Government for energy supports amid spiralling costs along with PRSI exemptions to help with staffing issues.

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JAMES COX

Hairdressers have appealed to the Government for energy supports amid spiralling costs along with PRSI exemptions to help with staffing issues.

Vice president of the Irish Hairdressers Federation (IHF) Lisa Eccles told BreakingNews.ie that salons are still struggling from Covid closures and are now being hit with recruitment problems.

She said an employer PRSI exemption for small businesses is one proposal from the IHF.

"This year we really felt was our first year to get back on our feet and it's so challenging between recruitment and energy costs, so certainly I think small businesses are going to need huge help when it comes to energy bills and trying to lure people back into the workplace.

"Things like employer PRSI exemptions for small businesses would be really helpful to try to help businesses stay on their feet because I think we're facing a very challenging time.

"What happened through Covid was a lot of people decided they would not come back with things like childcare costs, as we are a female dominated industry. If they can't get enough money to cover these costs a lot have made the decision to stay at home, and unfortunately some people are working in the shadow economy.

"That's really damaging for our industry because it's hard to get stylists back, and then we're losing some customers to the shadow economy as well."

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***"My costs have gone up fourfold and that won't be sustainable in the long run."***

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Ms Eccles said salons are struggling with energy bills, she cited her own business where she has seen a fourfold increase in costs.

"For example, my own salon... last year our electricity bills were in and around €250 a month, my last bill over a six-week period was around €1,000. My costs have gone up fourfold and that won't be sustainable in the long run."

She said a lot of salons have seen a drop-off in appointments, which is making it harder to increase wages amid the cost-of-living crisis.

"Staff will need pay increases and that will then fall on the customer ultimately. July, August, September we've seen a drop-off in business and people will space out their appointments more, so we're getting hit on all fronts."

Hairdressers are currently on the VAT rate of 9 per cent, as they're linked with tourism and hospitality, and the IHF is calling for this to be extended beyond February 28th, 2023.

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DublinLive 

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## Budget 2023: Dublin hairdresser fears VAT increase will see customers turn to shadow economy

She also fears that customers will simply have to stop going to the salon to make ends meet this winter

NEWS By [Roisin Cullen](#)

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 Inside Zinc Hair and Beauty, Kilmainham (Image: Lisa Eccles)

A Dublin hairdresser fears the increased VAT rate announced in today's [Budget](#) will see customers turn away from the salon and to the shadow economy instead.

[The Irish Hairdressers Federation](#) had asked the government to keep the 9% rate to help small salons keep their doors open. However, Minister Paschal Donohoe [today confirmed that the 9% VAT rate for the tourism and hospitality industry will expire as planned on February 28, 2023.](#)

Lisa Eccles from [Zinc Hair & Beauty](#) in [Kilmainham](#) said that many people would turn to the shadow economy to get their hair done as salons struggle to keep their doors open during the cost of living crisis. The spokeswoman from the Irish Hairdressers Federation said that hairdressers have been largely forgotten about in today's budget.

**Read more:** [Rent credit and major changes to tax brackets announced by Minister Donohoe](#)

She said: "People are already struggling with the [cost of living](#) and they are trying to find ways to cut their costs. Unfortunately, getting your hair done is a treat for a lot of people. They are going to reconsider and wonder if they should just get someone that would come to their house to do it.

"There are legitimate freelancers, people who are paying the VAT but there are a huge amount of people who are in the shadow economy. That has a knock one effect where we are not able to recruit staff because people just decide to do some 'nixers' as you call them."

Lisa has also seen a huge increase in her energy costs this year.

"For me , I was locked into a rate until June of this year and then my contract was up," she said.

"The cheapest utilities rate we could get at the time was 39c per kilowatt of energy.

"Last year, my monthly cost for electricity was around €250 and my latest bill which was over a six week period was €1,500. That's just not sustainable in the long run. I need electricity to heat my water, to run the blowdryers, to heat the premises.

"There's no other option there from us. We haven't even gotten into winter yet. At the minute, the heating is off."

**Read more:** [Budget 2023: All the big winners in €11bn package announced by Government](#)

Lisa said she has already seen customers stop coming in to treat themselves with salons never really recovering from Covid-19 lockdowns

She said: "We have already seen a drop off in the frequency that we see clients. People are trying to stretch their appointments out a little bit longer.

"When I look at the amount of clients and the income from July, August and September of last year compared to this year- we are down. That's people trying to stretch out their appointment times a little bit longer. Maybe, getting a little less done.

"They won't get the colour. They might throw in a box colour themselves at home. Everyone is really feeling it.

"The only thing that is helpful is the electricity help. That doesn't help me with my stock costs that just continue to go up. Obviously, you need the stock to run your business."

Lisa especially worries for older customers whose visits the salon might be the only social outing they have in a week.

"A lot of salons have a lot of elderly people that would come in," she added. "It's the one place that they get to go during the week. It makes them feel part of the community in towns and villages across the country.

"You can't have them coming into a cold premises to be sitting with wet hair. You have to have the heating on. We have no choice in the matter.

"The VAT increase is just going to have to be passed onto the consumer. We simply can't absorb a 4.5% increase in the VAT. You can't absorb that. You have to just pass that on. The worry is whether or not clients will come back to the salon.

**Read more: [Budget 2023: Taoiseach Michael Martin says Ireland is in 'uncertain and difficult times' in social media update](#)**

"The elderly customers are a different generation. They have been through really tough times before. They will knuckle down and look at where they are spending their money.

"I know how concerned my elderly clients are about the cost of heating. They are afraid to even put their heating on. A lot of them went through a very difficult time with Covid where they felt cut off from the community.

"They were afraid to leave their houses. A lot of them have only recently gotten the confidence back up to go out again. Now, it's like we are going backwards. They are going to be so afraid to spend money that they might just stay at home and throw in rollers themselves. That is going to lead to a very lonely winter for them."

Lisa believes that salons around the country will have to close their doors this winter with little hope provided in today's budget announcement.

She said: "I know salon owners already who just feel so stressed. They are at the point where they are no longer profiting. They are not running a profitable business so how can they keep their doors open? They just can't.

"I've heard of some salons closing during the week so they don't have to have their electricity or their heating on during those days. The Irish Hairdressers Federation is always there for our members and for anybody in the industry that needs to reach out and look at what they can do to be more profitable."

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# ‘Missed Opportunity’ On Measures To Boost Housing Supply — Savills



BUDGET 2023 / 27TH SEPTEMBER 2022 / ED MCKENNA

Auctioneers [Savills](#) have slammed the government’s housing measures, decrying “the lack of measures in the Budget to foster the supply of housing”, even as it welcomed the extension of the [Help-to-Buy scheme](#) and the extension of stamp duty reliefs.

Head of new homes **David Browne** said: “We’re in the midst of a housing crisis at a time when inflation, construction costs and a scarcity of development finance are making residential development unviable.

“To add to that, our planning system requires a mix of unit types in most locations, some of which are extremely challenging to deliver from a viability perspective, apartments and duplex units primarily, particularly in locations outside major cities.

“This was a missed opportunity by the government to introduce measures that would boost the development of desperately-needed residential supply. For example, while it may not be politically popular, a reduction in the 13.5% VAT rate on the construction of certain residential unit types would have a positive impact on delivery.”



A LARGE HOUSING DEVELOPMENT BEING COMPLETED

Director of residential lettings **Clarie Neary** added: “There is a significant under-supply of properties available to rent in Ireland, stemming from an exodus of private landlords from the market.



"While the increase of tax relief on pre-letting expenses is to be welcomed, it's not enough to incentivise landlords to stay in, or return to the market and boost supply."

The Budget also had a guarded welcome from [Retail Excellence](#), also warning that the measures would be inadequate and that it "remains to be seen if the measures announced would be enough to save hundreds of businesses from liquidation before the end of the year".

Managing director **Duncan Graham** said: "We welcome the fact that there has been an intervention in the energy crisis with targeted supports and that many people will have more money in their pockets to spend, but we will have to examine the qualifying criteria for the energy support scheme in more detail. It remains to be seen whether this will be sufficient for many businesses who have been crippled by rising costs this year.

"The war in Ukraine, the sharply rising cost of living and rising interest rates have led to a huge amount of uncertainty for business owners. It is critically important that the Government continue to monitor the impact on the retail industry and intervene again if necessary."

And the [Irish Hairdressers Federation](#) went further, saying that the increase in the VAT rate by 4.5% from next February "will devastate small businesses and heap more misery and price increases on consumers".

President **Lisa Eccles** said: It is totally shortsighted how the government could consider this when our energy bills are up over 400%, costs are up over 10%, and wages are rapidly rising.

"Inflation already means they are increasing Vat receipts, so all they are doing is harming small businesses and struggling consumers. If things continue like this, most people will simply be priced out of getting their hair done. The Vat rate for hairdressing in many European countries is 5%, so there is little justification for it."

But minister Donohue had a crumb of consolation from [Animation Ireland](#). Animation studios breathed a sigh of relief at the news that Section 481 tax reliefs for the audiovisual sector are extended to 2024, with chief executive **Ronan McCabe** commenting: Section 481 has been crucial in the growth of the animation sector over the past ten years and without it, we just couldn't compete on the global stage as we do now.

"The relief brings a huge number of jobs and expenditure into Ireland, but it also has an enormous positive impact on creativity and culture. Without Section 481, we might not have seen amazing Irish productions telling Irish stories, such as the Oscar-nominated 'Wolfwalkers'."



**Publication:** Today FM

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Lisa Eccles appeared on The Last Word with Matt Cooper to give the IHF's reaction to the Budget. <https://www.goloudplayer.com/episodes/business-reaction-to-the-budget-MGJmMmJkZjQ2OWM2NWQ3MmRkNzM0NmOxYzU2YzQzNDU=>