

**Disability Federation of Ireland**

**Submission to**

**Department of Social Protection**

**on**

**Budget 2025**

Contents

[Executive Summary and Budget 2025 Asks 2](#_Toc171069192)

[Introduction 6](#_Toc171069193)

[Updating the Evidence 6](#_Toc171069194)

[The Fundamentals: UN CRPD Commitments 6](#_Toc171069195)

[Disproportionately High Poverty and Increasing Deprivation 6](#_Toc171069196)

[CSO SILC 2023 – Poverty Persists and Deprivation Increases 6](#_Toc171069197)

[Government Commitments on Poverty and Disability 8](#_Toc171069198)

[Roadmap for Social Inclusion – Way Behind on Poverty with Less than 18 months Left 8](#_Toc171069199)

[EU: Ireland Leads “Hall of Shame” 9](#_Toc171069200)

[No Real Progress on Significant Extra Cost of Disability 10](#_Toc171069201)

[Green Paper Proposal Was the Wrong Solution 11](#_Toc171069202)

[Ways Forward: Cost of Disability Payment is Essential 12](#_Toc171069203)

[Inflation, Income Adequacy, Benchmarking and Indexation 14](#_Toc171069204)

[Disability is Not a One-Off, Nor is Poverty 16](#_Toc171069205)

[Disability Support Grant 16](#_Toc171069206)

[Energy Poverty 17](#_Toc171069207)

[ESRI Recommendations and Reports 18](#_Toc171069208)

[Recommendations to Ireland of UN Committee on Economic, Social and Cultural Rights 19](#_Toc171069209)

[Benchmarking: Minimum Essential Standard of Living Required (Factoring in extra Cost of Disability) 20](#_Toc171069210)

[Budget 2024: Poverty and Disability Impact Assessment 21](#_Toc171069211)

[Disabled People’s Dependence on Additional Needs Payments 22](#_Toc171069212)

[Budget 2025: Time to Prioritise Disabled People 22](#_Toc171069213)

# Executive Summary and Budget 2025 Asks

Year in and year out, disabled people in Ireland live with permanent and deep economic precarity, deprivation and poverty. Despite a healthy economic context, and another likely budget surplus in 2024, many people with disabilities are still left to survive on incomes that are below the poverty line and have been eroded by inflation in recent years. Moreover the ‘full employment’ currently being experienced glosses over the fact that our disability employment rates remain amongst the worst in the EU.

While the specific numbers change, it is a constant that those disabled people who rely on our social protection system to survive experience much higher rates of poverty and deprivation than the general population. Ongoing systemic inequalities and structural barriers perpetuate this.

Last year 44.7% of people unable to work due to long standing health difficulty (disability) lived in enforced deprivation, unable to afford basic essentials like heating, new clothes, or socialising with friends or family.

Something is wrong with our social protection system if it accepts that to be disabled to the extent that you cannot work means that you will struggle to get by on an inadequate income for the rest of your life. Current social protection supports maintain thousands of people below the poverty line and leave them unable to afford the basics, let alone a decent standard of living.

A truly effective social protection system offers support to all people at different points in their lives, and would protect people from poverty. All people with disabilities should have an income that is above the poverty line, sufficient to live a dignified life and participate in their community, and to cover disability related costs.

Alarmingly, last year Ireland ranked 22nd of the EU 27 on disability poverty. Instead of delivering on the government’s Roadmap for Social Inclusion target to reduce disability poverty, the rate actually increased. Targeted action and resources, a Cost of Disability payment, and a specific disability poverty reduction plan, is required to address this. There is a strong public and political support for ensuring that disabled have an income sufficient to protect them from poverty and enable them to live a dignified and independent life, equal to others.

It is very concerning that the ESRI’s assessment of Budget 2024 showed that looking at permanent measures alone poverty rates of disabled people would increase. Core social protection rates have not kept pace with inflation, and that is without considering the extra Cost of Disability. Moreover even the potential higher payment rates indicated in the Green Paper on Disability Reform were significantly below the poverty line, let alone sufficient to address the extra Cost of Disability.

While the reform proposed in the Green Paper was not the right approach, positive change and reform is urgently needed. Sticking to the current system and levels of social protection provision will see people with disabilities continue to be pushed into poverty.

This is the last budget of the current government, and a last chance to leave a positive legacy and finally start to turn the tide on disability poverty.

Change is possible. Our government can make different choices. Budget 2025 offers an opportunity to correct previous errors, and start to chart a path towards a social protection approach that really supports disabled people to live equal to others. The government has an opportunity in this budget to leave a positive legacy for disabled citizens and their families, and make progress on its commitments.

In Budget 2025, DFI calls on the Government and the Department of Social Protection to:

**Poverty and Cost of Disability**

* Introduce a recurring **Cost of Disability payment** of €2,600 a year, or €50 a week, as an interim measure to start to address the Cost of Disability; to build on and replace the Disability Support Grant introduced in Budget 2023 and maintained in Budget 2024 (cost: €698 million).
* In addition, give households stability and certainty **by increasing core rates of social protection by at minimum €20** to restore the purchasing power of the payment to 2020 levels and improve the adequacy of the payment based on MESL data.[[1]](#footnote-2)

**Employment**

* **Raise the income disregard** by at **minimum €25** and increase the **upper earnings disregard limit to €450** - in line with the Carer’s disregard.
* Roll out the new **Reasonable Accommodation Fund (RAF)** and provide sufficient funding for its operation in 2025. Report on its usage, impact and funding drawdown annually. **The RAF can only be demand-led if it is effectively and efficiently rolled out.**
* Change **criteria for the medical card** and other entitlements such as the **free travel scheme** to **link them to medical need and disability status**, rather than means-testing. Remove the 5 year time limit on entitlement for those who take up employment.
* Link the **Wage Subsidy Scheme (WSS) to increases in the National Minimum Wage** and restore the WSS from the current low of 49% to 70% of the minimum wage. Make provision to act on the recommendations of disability organisations to the WSS review.
* Provide **sufficient funding to resource actions under the Employment pillar of the National Disability Strategy** and develop actions to address the Cost of Disability and its impact on employment.

**Means Testing**

* Increase the general weekly means disregard **from €7.60 to €20**.
* **Only a disabled person’s income and means should be assessed**, not their family member, partner or anyone else they live with.
* Increase the Disability Allowance **capital disregard to €100,000**.[[2]](#footnote-3)

**Cost of Living and Energy Poverty**

* Continue to prioritise **targeted measures** to support disabled people with the **cost-of-living crisis** and **Energy Poverty**, particularly in Winter 2024.
* Implement **DFI’s recommendations on Energy Poverty***.*[[3]](#footnote-4)
* Restore the **purchasing power of the Fuel Allowance** as per recommendations of SVP, MESL and other organisations.

**Disability Proofing, Benchmarking to MESL and Indexation**

* Ensure all budget decisions are subject to equality, gender and poverty proofing, specifically **assessing their impact on disabled people, including taking into account the Cost of Disability**. Budget 2025 must be rigorously disability-proofed, and **show a clear and permanent positive impact on disability poverty**.
* Social welfare rates must be indexed or **benchmarked on an annual basis, to a level above the poverty line** and considering inflation, while **taking the Cost of Disability into account**. Use the **Minimum Essential Standard of Living (MESL)** recommendations as a guide.

**Strategy and Action-Oriented Approach Needed**

To underpin the asks above, and to make progress on Roadmap for Social Inclusion commitments to tackle disproportionately high disability poverty, the Department should develop **a specific poverty reduction strategy** for disabled people. This should lay out the steps and actions to be taken to deliver the poverty reduction targets, and allocate sufficient funding for 2025 to deliver them. Significant action is also required to address the extra Cost of Disability. The Department should work with other government Departments, notably the Department of Children, Equality, Disability, Integration and Youth (DCEDIY), to develop and resource a clear **Action Plan to fully address the Cost of Disability** over the next 3 years – this can be integrated into the ongoing development of the new National Disability Strategy.

# Introduction

## Updating the Evidence

DFI has outlined and foregrounded our asks for Budget 2025 in the Executive Summary, for ease of access. As with previous years, there is significant relevant new and updated policy evidence and data available since last year. In this submission we provide an extensive and detailed review of relevant latest publications and data released on disability by thematic area and heading, in order to support evidence-based policy decisions for Budget 2025, and to make clear the rationale and context for the recommendations outlined in our executive summary.

## The Fundamentals: UN CRPD Commitments

Ireland’s approach to social protection for people with disabilities should be based on the UN CRPD (ratified in 2018), and in particular:

* Article 28 – which outlines the right to an adequate standard of living and social protection, including the continuous improvement of living conditions, poverty reduction programmes and to state assistance with the extra Cost of Disability.
* Article 27 – which outlines the right to work on an equal basis with others, the right to training, return to work, and reasonable accommodation.

## Disproportionately High Poverty and Increasing Deprivation

The most recent annual poverty statistics show that once again disabled people unable to work frequently cannot afford the basic essentials in life:

* EU SILC data show while on average 28.8% of the EU population with a disability were at risk of poverty or social exclusion (AROPE) in 2022, Ireland’s rate was more than 10% higher, at 39.5%.
* Ireland ranks 22nd of the EU 27 on disability poverty, despite being one of the wealthier EU states. Only Bulgaria, Estonia, Latvia, Lithuania and Romania have higher disability poverty rates.[[4]](#footnote-5)
* The 2023 CSO SILC data show an increase in Deprivation, and the extent to which improvements in poverty rates last year depended on one-off measures – without these consistent and at risk of poverty rates would have risen by close to 4% each.

# CSO SILC 2023 – Poverty Persists and Deprivation Increases

The 2023 CSO national SILC data provides the latest evidence illustrating the extremely high levels of disability poverty. The data show increases in deprivation last year, and an almost static rate of consistent poverty.[[5]](#footnote-6) It shows for people unable to work due to long-standing health problem (disability) that:

* 16.5% live in consistent poverty, compared to the national average of 3.6%.
* 44.7 % live in deprivation, unable to afford essentials like heating or new clothes - compared to the national average of 17.3%.
* 27.3% are at risk of poverty, compared to 5.8% of employed people, and 8.8% of those who are retired.

It is notable that disabled people’s poverty rates are 2- 4 times the national average. In particular **the consistent poverty rates of people unable to work due to long-standing health problems last year were 4.5 times higher than the national average.** Moreover the 2023 data show that people unable to work due to long-standing health problem (disability) have **the highest consistent poverty, at risk of poverty and deprivation rates of all economic groupings.**

The data also show that people unable to work due to long-standing health problems (disability) live with significant deprivation:

* 16.1% are unable to afford to keep the home adequately warm, compared with 5% of employed people or 4.5% of retired persons.
* 17.9 % were unable to afford a roast once a week, compared to a national average of 4.2%.
* 35% could not afford to get-together with family or friends for a drink or meal once a month, compared to a national average of 12.3%.

**It paints a very poor picture of modern Ireland that people who cannot work because of their disability or health condition are not eating properly and cutting back on essential heating due to a lack of sufficient income. This shows the extent to which our current social protection supports for disabled people unable to work are insufficient and inadequate.**

SILC data also show that “two in five of those unable to work due to long-standing health problems (42.3%) are in the first equivalised disposable income quintile (i.e. the lowest 20% of the net disposable equivalised income distribution). This compares with one in ten (10.8%) of those that are employed.”[[6]](#footnote-7)Furthermore, the 2023 release on “Poverty Indicators by Health Status”[[7]](#footnote-8) shows stark evidence about the economic challenges experienced in households with a member who is severely limited in usual activities because of a health problem, including the fact that:

* 15.3% of these households reported failing to pay a utility bill on time due to financial difficulties at least once in the past 12 months, compared with 4.8% of households without activity limitation.
* 19.9% of households had ‘great difficulty’ making ends meet, as compared to 3.7% of households without activity limitation.

Finallya recently published CSO SILC 2023 module on ‘Well-being’ evidences the lower levels of well-being experienced by those unable to work due to a long-standing health problem, and the fact that over half (56.5%) reported low satisfaction with their household’s financial situation, compared to the national average (34.22%).[[8]](#footnote-9)

# Government Commitments on Poverty and Disability

The *Programme for Government* promised that “policy decisions throughout the course of the Government will consistently seek to improve living standards for the most vulnerable in society.” It also stated: “**we must improve outcomes for those who are struggling on low incomes, struggling with caring responsibilities, having to raise their families alone, or living with a disability**.”[[9]](#footnote-10)

The disability specific section of the Programme for Government also commits to “use the recent research into the cost of disability to individuals and families to properly inform the direction of future policy (p.79).”

Ireland has also committed to an At Risk of Poverty and Social Exclusion (AROPE) reduction target of 90,000 people as our contribution to the *EU Pillar of Social Rights* poverty reduction targets. Given the disproportionate levels of disabled people at risk of poverty, increased social protection supports for this cohort would help deliver these targets, as recommended by the EU Commission last year and this year.[[10]](#footnote-11)

# Roadmap for Social Inclusion – Way Behind on Poverty with Less than 18 months Left

Ireland has made significant commitments to address disability poverty. The Roadmap for Social Inclusion 2020-2025, a policy the Programme for Government promised “rigorous implementation” of, commits to “reduce the [disability] AROPE (At Risk of Poverty and Social Exclusion) rate from 36.9%, first to 28.7% (2025) and then to 22.7% (2030)”.

The Roadmap also aims to reduce consistent poverty to 2% by 2025. While the national average for consistent poverty is now 3.6%, it is 16.5% for those unable to work due to disability - a rate more than 4 times higher.

Despite these commitments, each Roadmap progress report since 2020 has shown how far away this quite modest target is. The Third Progress Report shows that **Ireland’s disability AROPE rate actually *increased* again in 2022 -** increasing from 35% in 2020 to 39.5% in 2022**.**[[11]](#footnote-12) **Ranking 22nd of the EU 27 last year,** Ireland is also miles away from enteringthe top 10 EU countries for disability poverty by 2025, another commitment in the Roadmap. **This is one of only two Roadmap indicators where Ireland ranks outside the top 20 EU countries for the third year in a row.** Given that this is the final Budget left to deliver the Roadmap’s targets, urgent corrective action will be required in Budget 2025 to address this failure to deliver on commitments.

# EU: Ireland Leads “Hall of Shame”

Ireland continues to perform extremely poorly at EU level on employment (and on poverty, as we have already shown). A 2023 European Disability Forum comparative report on employment named Ireland as “leading the hall of shame.”[[12]](#footnote-13) Studies from the OECD confirm this - highlighting that Ireland also has one of the lowest disability employment rates, and the largest employment gap, in the OECD - as well as the worst poverty statistics in the grouping.[[13]](#footnote-14)

A March 2023 NDA discussion paper outlines how Ireland’s disability employment gap - 37% - is much higher than the EU average of 21%.[[14]](#footnote-15) It also highlights Census 2022 data, according to which:

* The employment rate of people with disabilities is 49%, compared to that of those without disabilities of 71%.
* The employment rate of people with disabilities ‘to some extent’ is 60%.
* The employment rate of people with disabilities ‘to a great extent’ is 27%.[[15]](#footnote-16)

The EU Commission’s 2024 Country Specific Report (CSR) also emphasises the very low employment rates, with this being **the only indicator (out of a total of 17) on Ireland’s social scoreboard marked red (critical situation)**. It also highlights Ireland’s disability employment gap, noting that disabled people face “significant labour market challenges, even though they are an untapped source of labour.”[[16]](#footnote-17)

The report observes “there is ample evidence of discrimination at work, and the jobs available to persons with disabilities are often inadequate to lift them out of poverty. Fear of losing the disability benefits frequently prevents people from entering work.”[[17]](#footnote-18) The report also highlights that while 83% of graduates are in employment 9 months after graduating, the rate for graduates with disabilities is 69% - and this ranges from 57% to 74% depending on the nature of the disability.[[18]](#footnote-19)

The Commission also highlights **how in 2022 the at-risk-of-poverty or social exclusion rate for people with disabilities increased to 39.5% - twice that of the total population**. The Commission recommends that “indexing welfare payments could help Ireland reach the national 2030 target of 90,000 fewer people at risk of poverty or social exclusion (AROPE).”[[19]](#footnote-20)

The Commission also observers that “there are major weaknesses in getting vulnerable groups into work or training; they face disproportionately high poverty risks and social exclusion.”[[20]](#footnote-21) Once again, the EU Commission echoes concerns DFI has voiced for years, that the way to reduce disability poverty is through increased social protection, decoupling secondary benefits from employment status, and addressing other structural barriers to employment.

# No Real Progress on Significant Extra Cost of Disability

An ongoing issue that perpetuates disability poverty is the extra Cost of Disability. The Indecon Report on the Cost of Disability (2021), commissioned by the Department of Social Protection, provided comprehensive policy evidence that disabled people have extra costs across numerous areas. The report concluded that “there are significant additional costs faced by individuals with a disability *which are currently not met by existing programmes or by social welfare payments* [our emphasis]”. The report evidenced extra costs in the range of €8,700-€12,300, as well as unaffordable extra costs of €2,706 a year.[[21]](#footnote-22)

These estimates were based on data from 2020 or earlier. Asked whether costs had increased at the Green Paper consultation event in Dublin Castle last year, Indecon replied that there had been significant inflation since the report, and there was **“absolutely no doubt” that the figure would have increased as a result**. The original Cost of Disability estimate is thus clearly out of date. The Consumer Price Index Inflation Calculator shows inflation of 19.5% from January 2021 to March 2024.[[22]](#footnote-23) Applying this to the original Indecon estimate, we can see that inflation has **likely increased the original range to €10,397 – €15,177.**

And yet **the basic annual income currently provided by the state through Disability Allowance, €12,064, would in some cases not even cover the additional disability-related costs** that someone faces, let alone all the other everyday living costs that all people live with on top of that, like rent, food, heating etc.

# Green Paper Proposal Was the Wrong Solution

The Indecon report recommended tackling the extra Cost of Disability through increased cash payments, enhanced access to services and targeted grant programmes, and emphasised that these provisions should focus on alleviation of poverty, reducing inequality, and improving social inclusion and quality of life of disabled individuals. In an attempt to tackle some of the issues outlined in the report, the Department of Social Protection last year published a Green Paper on Disability Reform. While reform is clearly needed, ultimately it was the wrong solution to the twin problems of disability poverty and low employment rates.

DFI welcomed the recent decision not to proceed with the proposals outlined in the Green Paper, which unfortunately caused much anxiety and stress to disabled people. Two fundamental weaknesses of the Green Paper were that it wrongly conflated the extra Cost of Disability with ‘capacity’ to work, and that it did not integrate the cross-Departmental approach that is essential to tackle disability issues, especially those of poverty, employment and the extra Cost of Disability.

**While the proposal tried to advance one way forward, it was silent on the many structural issues and social barriers that prevent disabled people from entering the labour force and retaining employment**. The Green Paper also proposed social protection rates that were significantly below the poverty line, and were far from sufficient to address the extra Cost of Disability. It also did not address issues like the need for indexation of social protection supports, to deliver a Minimum Essential Standard of Living, and for a Cost of Disability payment.

**Any social protection reform should have the UN Convention on the Rights of Persons with Disabilities as its foundation and starting point**. It should adopt a social model of disability, focusing on removing structural barriers to inclusion and participation. It should also be based on a series of agreed values, including support for independent living. Ultimately, an inter-Departmental approach will be essential to tackle the extra Cost of Disability, an issue that manifests across the briefs of many Departments.

A change of approach will be required given the level of dissatisfaction with the Green Paper, and revising and developing new reform proposals will clearly take time. Our Green Paper submission outlined DFI’s longer-term asks and bigger picture recommendations for whatever policy approach is developed in due course, based on the learnings and feedback from the Green Paper consultation. In this pre Budget submission meanwhile, we outline some urgent areas of immediate priority to tackle poverty.

**While further work is required on reform, we cannot have a lost year with no progress on disability poverty because of the Green Paper**. Positive reform to address disabled people’s needs is still required, but while the process is paused the Department should:

* Commence work towards an engagement process around how reform should happen, based on the consolidated recommendations from submissions to the Green Paper consultation.
* **Meaningfully address disability poverty in the interim – disabled people must see action, commitments and allocation of resources in Budget 2025 to start making progress.**

[To read DFI’s detailed submission to the Green Paper on Disability Reform Consultation, please see here.](https://www.disability-federation.ie/publications/dfi-submission-on-green-paper-may-2024/)

# Ways Forward: Cost of Disability Payment is Essential

The call for a **Cost of Disability payment goes back to 1996,** when the Commission on the Status of People with Disabilities recommended it.The Commission called for “a graduated payment to meet the additional everyday costs associated with disability. This payment, which would be made irrespective of whether the person is at work or not, would be called the 'Costs of Disability Payment'.[[23]](#footnote-24) Since then this has been a common call from disability organisations. It is an essential first step to tackle the extra costs disabled people live with.

Such an approach would be in keeping with international recommendations. The International Labour Organisation recommends that: “To cover basic disability-related costs, countries should seek to introduce (quasi) universal disability-specific cash benefit which are compatible with work and with other benefits providing income security.”[[24]](#footnote-25) The OECD has made similar recommendations - its 2008 report recommended Ireland address the low level of income of people with disabilities and “consider introducing more adequate payments to compensate these costs so as to reduce the high level of income poverty of this population group. Any such payments should be independent of the work status and separate from income support payments.”[[25]](#footnote-26)

At the Dublin Green Paper Consultation event (2023), Christopher Prinz emphasised the necessity of a Cost of Disability payment. His presentation offered five key ‘Lessons’ for Ireland, one of which was titled “**Cost-of-disability payments are essential**”.[[26]](#footnote-27) His presentation also stated that “Cost-of-disability payments are much fairer, not hindering employment and thus much more likely to help people out of poverty”. Indeed Prinz argued that **Ireland could be a global leader in this area by bringing in a Cost of Disability payment**.

It is undeniable that fully addressing the costs documented in the Indecon report necessitates coordinated and considered action across numerous government Departments and policy areas far beyond this Department’s remit (including Health, Housing, Transport etc), as we outlined in our Green Paper submission. However the Department of Social Protection is the Department with the mandate and core responsibility for poverty reduction, and this requires it to address the income inadequacies highlighted by the report. This is particularly essential and urgent given Ireland is falling so far behind on the poverty reduction targets the Department committed to in the Roadmap for Social Inclusion.

Disability organisations have called for a Cost of Disability payment for the past two decades, and the discussion prompted by the Green Paper further emphasised this. **A weekly Cost of Disability payment of at minimum €50 is essential to start to address these extra costs and bring down poverty rates.**

This would clearly not address all the extra costs established by Indecon however and would thus need to be supplemented by action from other Departments to improve services and supports. DFI, along with other disability organisations, continues to call for an Action Plan to fully address Cost of Disability over the next three years – this can be integrated into the ongoing development of the new National Disability Strategy.

Our longstanding call for a Cost of Disability payment is supported by a range of civil society and anti-poverty organisations.[[27]](#footnote-28) Numerous Oireachtas committees have also endorsed a Cost of Disability payment, and two unanimously passed Dáil motions in the past two years have called for action to tackle this issue.[[28]](#footnote-29) It is thus clear that **there is broad social and political support to take meaningful action to address Cost of Disability in Budget 2025**.

While **the Disability Support Grants in the past two Budgets were a welcome first acknowledgement of these extra costs**, ongoing, permanent, and sufficient support to mitigate the Cost of Disability is required into the future to avoid perpetual disability poverty. This would also be a worthwhile investment as it could support many disabled people to enter the workforce and/or be more active in their community.

# Inflation, Income Adequacy, Benchmarking and Indexation

Recent years have seen inflation running at levels not seen in decades. While inflation is finally slowing, it has not yet stopped, nor are prices returning to pre cost of living crisis levels. The Minimum Essential Standard of Living (MESL) Research Centre, [analysing Budget 2024](https://www.budgeting.ie/download/pdf/mesl_impact_briefing_-_budget_2024.pdf), concluded that “the purchasing power of core social protection supports has not been maintained, as a result the adjustments are a real term cut. […] These measures are likely to compound the deepening and widening of income inadequacy that developed this year.”

THE 2024 MESL research found a relative stabilisation in costs, with a slight decline compared to 2023. However, as they point out ”the cumulative impact of inflation to date has resulted in a significant increase of 16.8% in core MESL costs from 2020 to 2024. By comparison, the standard core working-age social welfare rate has increased by 14.3% over the same period. Consequently, the incidence and depth of inadequate income continues to be at a higher rate than that found prior to 2023.”[[29]](#footnote-30)

The analysis also found that without the one-off ‘cost of living’ supports, inadequacy would be significantly higher. This is very concerning, given that such supports were clearly labelled one-off, and do not seem likely to recur at the same level this year. Essentially this means that those relying on our social protection system to survive have been pushed further into poverty, and are worse off now than they were four years ago, in terms of what their Disability Allowance can pay for on a weekly basis. The MESL also predicts a potential further 4.8% increase in costs during 2025.[[30]](#footnote-31)

As previously mentioned, it is important also to remember both that **MESL does not account for the extra Cost of Disability, and that the extra Cost of Disability estimates precede the inflationary spike**. As previously indicated, we estimate that inflation has likely increased the original range to €10,397 – €15,177.[[31]](#footnote-32)

It is notable that at the Department of Social Protection’s annual Pre-Budget Forum, the one policy proposal that gets unanimous support from civil society every year is the recommendation of the MESL Research Centre. It is also noteworthy that numerous Joint Oireachtas Committees (JOCs), including the Disability Matters, Gender Equality and Social Protection Committees, have endorsed Ireland moving to deliver MESL[[32]](#footnote-33) - this indicates cross-party support to address income inadequacy.

There is no systematic approach to increases in Ireland’s social protection rates, which are subject to political decisions annually during the budget cycle. The EU Commission in its EU Semester Country Report this year recommended a move to indexation. As they write: “poverty and social exclusion remain challenges, especially for vulnerable groups. Among those most affected are persons with disabilities, Travellers and Roma, older people, and single parents. **Indexing welfare payments could help Ireland reach the national 2030 target of 90 000 fewer people at risk of poverty or social exclusion (AROPE)**.”[[33]](#footnote-34)

While the Green Paper did propose to increase some people with disabilities’ payment rates, all rates proposed were far below the the 2023 poverty line of €317.32.[[34]](#footnote-35) This poverty line, it must be remembered, does not factor in the extra Cost of Disability. **It was particularly concerning that even the highest ‘Level 1’ payment rate mooted was deeply inadequate. The proposed highest rate, €277.30, was still €40 below the poverty line**.

# Disability is Not a One-Off, Nor is Poverty

Last year’s Budget delivered one-off supports to address cost of living, and these did insulate people temporarily from worsening poverty, as the evidence show. However they gave no stability or certainty to disabled people regarding their income into the future. Once the one-off measures were gone, ultimately they were left with a core income that was inadequate to meet all their basic needs and live a dignified life.

As the ESRI observed, the tax adjustments brought in in Budget 2024 are permanent, whereas the one-off cost of living supports are not. Their  [Budget Analysis](https://www.esri.ie/sites/default/files/media/file-uploads/2023-10/SLIDES_Post%20Budget%20Briefing%202023_Doorley.pdf) showed that disabled people would remain the group most at risk of poverty in 2024, and that **if we considered permanent measures only there would actually be a small increase in the ‘at risk of poverty’ rate for people with disabilities**. It also shows that gains for disabled people in Budget 2024 were only due to the one-off measures, while there were less gains for those with a disability from permanent tax and welfare changes, as compared to those who are not disabled. This is alarming given the much higher poverty rates of people with disabilities.

## Disability Support Grant

One welcome small step forward in the past two Budgets has been the acknowledgement of disability-related costs through the *Disability Support Grant*. Budget 2023 for the first time acknowledged the extra Cost of Disability. Minister McGrath, in his speech, said “it is important that we acknowledge that persons living with a disability face additional costs. In this regard, a once-off payment of €500 to those who qualify for Disability Allowance, Invalidity Pension and the Blind Pension will be made.” **This was welcomed by many disabled people as an important symbolic step forward, although it was clearly insufficient to address Cost of Disability with a one-off payment**.

Disappointingly there was no such acknowledgement in Budget 2024 speeches, and the one-off lump sum was reduced to €400. This was a 20% reduction on the previous year, despite the extra Cost of Disability actually increasing over the period. Nevertheless, the introduction of a Disability Support Grant has been an important positive first step in acknowledging the extra costs. **This grant should be retained and built on over time, as work continues on reform to address the Cost of Disability**.

# Energy Poverty

The EU Commission’s 2024 EU Semester ‘Country Specific Recommendations’ note that last year Ireland had the highest electricity prices in the EU.[[35]](#footnote-36) Data also shows that only Denmark, Germany, the Netherlands and Cyprus had higher energy price levels than Ireland in 2023.[[36]](#footnote-37) These ongoing extremely high costs continue to be devastating for people with disabilities. For many disabled people who have to use significant amounts of electricity daily, even throughout the summer, to charge assistive technology, essential medical equipment, power wheelchairs etc, there is no way to reduce their energy consumption.

The electricity credits since 2022 were extremely welcome for disabled families, to whom they provided a lifeline. However this very significant financial outlay was not an efficient deployment of state resources, given that the credit was universal (and thus received by many high-income individuals), rather than targeted at those most at risk of energy poverty and already in arrears. Statistics cited earlier show **the higher levels of energy poverty that disabled people live with**. It is also important to note that **only about 50% of Disability Allowance recipients qualify for Fuel Allowance,** the core rate of which did not increase last year despite highly escalating costs.

It is positive that interdepartmental-information sharing is taking place through the Energy Poverty Action Plan Steering Group, and that a public consultation and stakeholder forum to inform the revised Energy Poverty Action Plan took place in recent months. Given the interconnected issues involved and the extent to which energy poverty is a subset of poverty overall, and often arises as a result of inadequate income, co-ordinated and joined up policy making will be required on energy poverty across multiple Departments - including the Department of Social Protection and the Department of Environment, Climate and Communications.

While energy prices are declining, MESL and others have shown that they still remain significantly higher, and unfortunately prices will not reduce back to pre-crisis levels. In this context supports can and should be **more carefully targeted this year than last year, in order to use resources efficiently, and to support those with higher levels of energy poverty, like disabled people**. In this context DFI made a submission to the recent the Energy Poverty Action Plan consultation. Recommendations in that submission which are relevant to the Department of Social Protection include the following:

* Expand the Fuel Allowance to provide it to all people on a disability-related social protection payment. The expansion of the Fuel Allowance to over 70s last year clearly had a positive impact on poverty levels, so this should now be extended out further to groups like disabled people who are most at risk of energy poverty.
* Restore the purchasing power of the Fuel Allowance as per recommendations of SVP, MESL and other organisations.
* Provide a higher level of Fuel Allowance all year round for those with higher energy usage due to a medical and/or disability need.
* Review, analyse and strengthen the provision of the Heating Supplement, particularly in the context of the Indecon report. Increase awareness of this support in the community.

[Read DFI’s submission on Energy Poverty here](https://www.disability-federation.ie/publications/epap-consultation-may-2024-dfi-submission/).

# ESRI Recommendations and Reports

A number of recent ESRI reports are highly relevant, as is the ESRI’s Budget 2024 analysis - these should be considered when deciding disability social protection measures for Budget 2025. 2023 ESRI publications highlighted in last year’s submission also remain relevant.[[37]](#footnote-38)

A May 2024 report outlines how families with disabilities are more likely to live in inadequate housing and struggle with energy poverty. As the authors write “the findings suggest the need for […] targeted financial assistance to meet energy costs. **Income supports […] could play a key role in helping families, particularly those headed by a lone parent or adult with a disability, access better-quality, adequately heated accommodation**”.[[38]](#footnote-39) On the Cost of Disability the authors emphasise how “additional supports to counteract these extra costs are needed to ensure that this group can secure adequate housing. This might take the form of grants for adaptations, or adjustments to benefits, or to means assessments for benefits”.[[39]](#footnote-40)

A December 2023 paper assessing the impact of Budget 2024, shows that while AROP levels would decrease as a result, this was “wholly due to the package of temporary measures”, and without these poverty rates for disability households would have increased.[[40]](#footnote-41) The authors recommend a change in approach in the future - “**we suggest that policymakers should move away from the use of temporary measures to compensate households for rising prices and should consider the adequacy of welfare payments** to provide an appropriate standard of living at current market prices.”[[41]](#footnote-42)

An October 2022 ESRI report remains particularly relevant, and thus we quote from it again in this year’s submission, as the concerns it raises have not yet been addressed. It cautions that **we may in fact be significantly underestimating the level of poverty that disabled people live with**. The authors write that:

there is also a sizeable group of individuals who report being materially deprived but who are not classified as being at risk of poverty (AROP) […] Of these, almost half lived in a household where someone reported having a disability, with most of these less than €100 per week (in equivalised terms) above the poverty line. Given the significant extra costs of living incurred by households affected by disability, this raises questions about whether the official measure of poverty is adequately capturing the incidence of very low living standards or poverty, and suggests that there may be a case for revisiting the way the income-related component of this official indicator is measured.[[42]](#footnote-43)

Indeed if we were to divide up even the lower annual estimate of these extra costs, €8,700, that would equate to a weekly cost of €167.30, showing that **many of these households may in fact be well below the poverty line when Cost of Disability is factored in**. As the paper observes, “due to the extra costs borne by households affected by disability, measures of low living standards using income alone can understate the true difference in living standards between households affected and those not affected by disability.”[[43]](#footnote-44) These conclusions have important implications for any move to index social protection payments.

# Recommendations to Ireland of UN Committee on Economic, Social and Cultural Rights

Earlier this year Ireland was examined on its fourth periodic report to the UN Committee on Economic, Social and Cultural Rights. The Committee made a number of concluding observations, expressing concern about the adequacy of Ireland’s social protection system, and the need for targeted supports for disabled people.[[44]](#footnote-45) On poverty in particular the Committee:

* Expressed concern about the inadequacy of social security benefits. Ireland should establish a social protection floor, and ensure that social security covers everyone equally, provides sufficient support, and is indexed to the cost of living.
* Said Ireland should adopt a national plan to eradicate poverty and address the root causes of poverty.
* Recommended targeted support for groups disproportionately affected by poverty, including persons with disabilities.

The Committee also made recommendations on employment - including reviewing employment policies to discover the root cause of persistent unemployment among people with disabilities, taking measures to improve employment levels, expressed concern that current laws allow for different wages based on disability, and recommended more consultation with workers when making reasonable accommodation decisions.

# Benchmarking: Minimum Essential Standard of Living Required (Factoring in extra Cost of Disability)

The inadequacy of social welfare rates has been dramatically highlighted in recent years, both by the gap between core rates and the higher rate of the €350 Pandemic Unemployment Payment, and by the cost-of-living crisis.

This has brought an important focus on the necessity to index and benchmark social protection payment levels, to ensure that they keep pace with increasing costs, as the Irish Human Rights and Equality Commission and anti-poverty groups have recommended.[[45]](#footnote-46) Disability and anti-poverty organisations have for many years called for a **Minimum Essential Standard of Living, to ensure those who rely on our social protection system to survive are not condemned to poverty**.

Any benchmarking or indexation that takes place, however, **must also explicitly take the extra Cost of Disability, and the findings of the Indecon report, into account**. To move to benchmarking payments without doing this would have the unintended consequence of locking disabled people into greater structural poverty.

# Budget 2024: Poverty and Disability Impact Assessment

A number of one-off measures in the past two Budgets were used to address the cost of living crisis. However **one-off payments just temporarily plug the income gap, and do not address the structural problem of income inadequacy and consistent poverty**.

Budget 2024 again brought an increase of €12 in payment, less than half what anti-poverty groups had called for - simply to keep pace with inflation. As previously highlighted, the ESRI’s post budget analysis demonstrated that the gains for disabled people in Budget 2024 were only due to the temporary one-off measures. Given their high poverty rates, this calls into question the extent to which Budget 2024 was effectively poverty-proofed.

In a previous paper analysing the welfare measures in Budget 2023 the ESRI recommended that “**once the need for one-off measures to insulate households from inflationary pressures has passed, policymakers may wish to consider benchmarking social welfare payments to reinstate the link between payments and income adequacy**.”[[46]](#footnote-47) As we have already highlighted, they made the same recommendation when analysing the distributional impact of Budget 2024. Given the healthy state of the economy and the reduction in the broader impacts of the cost of living crisis, the government should give serious consideration to this proposal.

Anti-poverty groups are recommending **an increase of at minimum €20 in Budget 2025 to restore the purchasing power of the payment to 2020 levels and improve the adequacy of the payment based on MESL data**.

As previously noted, **the continuity of providing a ‘Disability Support Grant’ for the second year in a row in Budget 2024 was welcome. However the 20% cut in the grant last year (from €500 to €400) is very hard to justify in terms of the available evidence**. This provision was clearly far from sufficient, addressing less than one twentieth of the costs in the Indecon report, and providing only one-off support for costs that are lifelong. The grant should be retained and increased in Budget 2025.

It was disappointing not to see an increase in the disability income disregard in Budget 2024, and it will be important to see significant progress on this in Budget 2025. That said, the income disregard increase brought in in Budget 2023 was estimated by the Department to impact on 8,674 Disability Allowance recipients, meaning it affected approximately 5.5% of those receiving the payment at the time, showing there is a long way to go towards improving disability employment levels.

DFI has expressed concern for some years regarding the disability proofing of the annual Budget. Department responses to our queries in previous years had indicated that the ESRI’s SWITCH model, the key tool used to assess the social impact of budgetary options, “does not include specific analysis for people with disabilities”, and ESRI studies the year before last also confirmed this limitation of the model.

In this context **we strongly welcome** the indication from the Department that this key problem with the SWITCH model’s effectiveness has now been addressed, and **that it was possible to assess the impact of Budget 2024 on disabled people specifically**, for the first time. It is concerning however that the ESRI’s Budget analysis showed that gains for people with disabilities in Budget 2024 depended entirely on temporary measures. Given the significantly higher levels of deprivation of people with disabilities, **it is imperative that effective and rigorous disability proofing is undertaken of Budget 2025 proposals, and a strong positive impact on disability poverty must be a key outcome of this budget.**

# Disabled People’s Dependence on Additional Needs Payments

The Department’s own statistics continue to further evidence the inadequacy of core payments. If we see the Additional Needs Payments as an indication of poverty and financial distress, the uptake figures indicate that people with disabilities live with great economic vulnerability.

Looking at the ANP breakdown by category, the extent to which people on disability payments rely on them to supplement an inadequate income is clear and consistent over recent years. 30% of the payments made in 2020, 31% of those made in 2021, and just under 30% of payments made in 2022, 2023 and so far in 2024, went to recipients of disability-related social protection payments.[[47]](#footnote-48)

The level of disability related drawdown from this fund again indicates that existing social welfare provision is insufficient to meet the basic needs of the disabled individuals who rely on these payments to live.

# Budget 2025: Time to Prioritise Disabled People

This is the last Budget of this government, and the last chance to deliver on its significant Programme for Government commitments to disabled people and their families. To deliver on the strong public and political mandate to tackle disability deprivation, action must be taken to address the shockingly high poverty levels that people unable to work due to disability live with.

Disabled people are disproportionately at risk of poverty, and one in two people unable to work due to longstanding health condition (disability) live in deprivation. The ongoing and escalating extra Cost of Disability, the income inadequacy of our social protection payments, the lack of action to address structural barriers to employment, the tying of secondary benefits to being in receipt of a social protection payment and approaches to means-testing are all pushing people with disabilities further into poverty. This needs to change, and it can change.

At the Energy Poverty Stakeholder’s Forum last month, Minister of State Ossian Smyth said “there is plenty of money” to tackle issues like poverty.

There is no excuse to leave disability on the backburner. There is no more time for this government to delay. There is still a chance to make a positive change in the lives of people with disabilities. This is the last chance for the government to make a new choice and prioritise disability in Budget 2025.

Individuals, families, and communities across the country believe that things should be different, and want to see our social protection system provide people with disabilities with an income sufficient to live a life of dignity and equality, and that actively shields people from poverty and deprivation.

Disability poverty is not inevitable. Now is the time to leave a positive legacy, and finally start to turn the tide on disability poverty.



DFI is about making Ireland fairer for people with disabilities.

We work to create an Ireland where everyone can thrive, where everyone is equally valued.

We do this by supporting people with disabilities and strengthening the disability movement.

There are over 120 member organisations in DFI. We also work with a growing number of other organisations that have a significant interest in people with disabilities.

DFI provides:

• Information

• Training and Support

• Networking

• Advocacy and Representation

• Research, Policy Development and Implementation

• Organisation and Management Development

Disability is a societal issue and DFI works with Government, and across all the social and economic strands and interests of society.

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1. <https://www.budgeting.ie/publications/mesl-2024/> [↑](#footnote-ref-2)
2. This disregard has not been reviewed since 2007. [↑](#footnote-ref-3)
3. See <https://www.disability-federation.ie/publications/epap-consultation-may-2024-dfi-submission/> [↑](#footnote-ref-4)
4. <https://ec.europa.eu/eurostat/databrowser/view/hlth_dpe010/default/table?lang=en> [↑](#footnote-ref-5)
5. <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2023/poverty/> [↑](#footnote-ref-6)
6. <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2023/equivalisedincome/> [↑](#footnote-ref-7)
7. <https://www.cso.ie/en/releasesandpublications/ep/p-pihs/povertyindicatorsbyhealthstatus-surveyonincomeandlivingconditionssilc2023/keyfindings/> [↑](#footnote-ref-8)
8. <https://www.cso.ie/en/releasesandpublications/ep/p-wbsilc/well-being-surveyonincomeandlivingconditionssilc2023/keyfindings/> [↑](#footnote-ref-9)
9. <https://www.gov.ie/en/publication/7e05d-programme-for-government-our-shared-future/>, p.75. [↑](#footnote-ref-10)
10. <https://economy-finance.ec.europa.eu/document/download/9f14e528-de10-41aa-8b4d-01c5848784c8_en?filename=SWD_2024_607_1_EN_Ireland.pdf> [↑](#footnote-ref-11)
11. <https://www.gov.ie/en/organisation-information/be955a-social-inclusion-division/?referrer=http://www.gov.ie/socialinclusion/> [↑](#footnote-ref-12)
12. <https://www.edf-feph.org/majority-of-persons-with-disabilities-locked-out-of-quality-employment/>. [↑](#footnote-ref-13)
13. <https://www.oecd.org/employment/disability-work-and-inclusion-1eaa5e9c-en.htm>, <https://www.oecd.org/cfe/disability-work-and-inclusion-in-ireland-74b45baa-en.htm>. [↑](#footnote-ref-14)
14. <https://nda.ie/publications/discussion-paper-on-new-disability-employment-targets>, p 4. [↑](#footnote-ref-15)
15. Op cit, p.11. [↑](#footnote-ref-16)
16. <https://economy-finance.ec.europa.eu/document/download/9f14e528-de10-41aa-8b4d-01c5848784c8_en?filename=SWD_2024_607_1_EN_Ireland.pdf> p.4. [↑](#footnote-ref-17)
17. Op cit p. 66. [↑](#footnote-ref-18)
18. Op cit p. 69. [↑](#footnote-ref-19)
19. Op cit p.65. [↑](#footnote-ref-20)
20. Op cit p.15. [↑](#footnote-ref-21)
21. <https://www.gov.ie/en/publication/1d84e-the-cost-of-disability-in-ireland-research-report/> [↑](#footnote-ref-22)
22. <https://visual.cso.ie/?body=entity/cpicalculator> [↑](#footnote-ref-23)
23. 53, page 21, A Strategy for Equality <https://www.lenus.ie/bitstream/handle/10147/560531/strategyforequality.pdf?sequence=1&isAllowed=y> [↑](#footnote-ref-24)
24. ILO 2023, p.46 <https://www.social-protection.org/gimi/Media.action?id=19143> [↑](#footnote-ref-25)
25. OECD 2008, Sickness, Disability and Work: Breaking the Barriers, vol. 3: Denmark, Finland, Ireland

and the Netherlands, p34. [↑](#footnote-ref-26)
26. Christopher Prinz, OECD, Presentation to Green Paper on Disability Reform Public Consultation Event, “DO’S AND DON’TS IN DISABILITY POLICY Key lessons from OECD’s work – and how they are followed by member countries”. [↑](#footnote-ref-27)
27. Including Social Justice Ireland, EAPN Ireland, Saint Vincent De Paul and the NWCI, as well as signatories to the [joint civil society submission to the Energy Poverty Action Plan consultation](https://www.friendsoftheearth.ie/assets/files/pdf/joint_civil_society_submission_to_energy_poverty_action_plan_5.pdf). [↑](#footnote-ref-28)
28. See Appendix 2 of [DFI’s Green Paper submission](https://www.disability-federation.ie/publications/dfi-submission-on-green-paper-may-2024/) for details – ps 51-52. [↑](#footnote-ref-29)
29. <https://www.budgeting.ie/download/pdf/mesl_2024_-_update_report.pdf> p vii. [↑](#footnote-ref-30)
30. <https://www.budgeting.ie/download/pdf/mesl_pre-budget_submission_2025.pdf> [↑](#footnote-ref-31)
31. <https://visual.cso.ie/?body=entity/cpicalculator> [↑](#footnote-ref-32)
32. See Appendix 3, page 51, footnote 68 of [DFI’s Green Paper submission](https://www.disability-federation.ie/publications/dfi-submission-on-green-paper-may-2024/) for details. [↑](#footnote-ref-33)
33. <https://economy-finance.ec.europa.eu/document/download/9f14e528-de10-41aa-8b4d-01c5848784c8_en?filename=SWD_2024_607_1_EN_Ireland.pdf> p.65 [↑](#footnote-ref-34)
34. <https://www.eapn.ie/wp-content/uploads/2024/04/EAPN_Briefing_2023_Income_Poverty_Data.pdf> [↑](#footnote-ref-35)
35. “In the second half of 2023, Ireland had the highest electricity prices for household consumers in the EU, and these remain high” <https://commission.europa.eu/document/download/0b937573-bf5a-4b4c-8160-aa88f472527a_en?filename=com_2024_607_1_en.pdf>, p6. [↑](#footnote-ref-36)
36. <https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Comparative_price_levels_of_consumer_goods_and_services#Overall_price_levels> [↑](#footnote-ref-37)
37. See ps 17-19 <https://www.disability-federation.ie/publications/dfis-pre-budget-submission-2024-to-the-dsp/> [↑](#footnote-ref-38)
38. <https://www.esri.ie/system/files/publications/RS183_1.pdf> p. vi. [↑](#footnote-ref-39)
39. <https://www.esri.ie/system/files/publications/RS183_1.pdf>, p/41. [↑](#footnote-ref-40)
40. <https://www.esri.ie/system/files/publications/QEC2023WIN_SA_Doorley_2.pdf>, p.14. [↑](#footnote-ref-41)
41. Op cit, p. 1. [↑](#footnote-ref-42)
42. <https://www.esri.ie/system/files/publications/JR1_1.pdf>, pviii – ix. [↑](#footnote-ref-43)
43. <https://www.esri.ie/system/files/publications/JR1_1.pdf>, p.26. [↑](#footnote-ref-44)
44. See <https://www.disability-federation.ie/news/latest/2024/04/19/summary-of-the-concluding-observations-on-irelands/> and <https://tbinternet.ohchr.org/_layouts/15/treatybodyexternal/Download.aspx?symbolno=E%2FC.12%2FIRL%2FCO%2F4&Lang=en> for the official text of the Committee’s recommendation. [↑](#footnote-ref-45)
45. <https://www.ihrec.ie/app/uploads/2023/02/Policy-Statement-on-the-Index-Linking-of-Welfare-Payments-Welfare-Indexation.pdf>, <https://www.socialjustice.ie/system/files/file-uploads/2023-05/2023-05-29%20-%20Budget%202024%20Benchmarking%20and%20Indexation%20Final%20WEB.pdf>, <https://www.eapn.ie/wp-content/uploads/2023/06/EAPN-Ireland-input_Benchmarking-Working-Age-Payments_Final.pdf> [↑](#footnote-ref-46)
46. <https://www.esri.ie/system/files/publications/QEC2022WIN_SA_DOOLAN.pdf>, p.18. [↑](#footnote-ref-47)
47. Department of Social Protection Reponses to “Written Requests for Information in advance of the June DSP Bilateral with C &V Pillar”, June 2024. [↑](#footnote-ref-48)