



**Speech by the Minister for Social and  
Family Affairs,**

**Mary Hanafin TD**

**Private Members Motion on Fuel Poverty,**

**1 October 2008**



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### **Introduction**

I share Deputies' concerns about the impact of rising fuel and energy costs. My own priority, as Minister for Social and Family Affairs, is to ensure that Government assistance is available to those who need our help the most – older people, those with disabilities or serious illnesses, and people on low incomes.

### **Income Support**

Government policy in recent years, has focused on increasing primary social welfare rates significantly to ensure that people on social welfare can meet their basic living costs, including heating costs throughout the year.

Since December 2001, overall inflation has increased by 28% while energy product prices have increased by 74%. However, increases in social welfare payments have been between 71% and 88% in the same period.

These payments are intended to cover general basic living costs – including some heating costs. In addition, the fuel allowance is paid to some 300,000 people, while 358,000 receive electricity or gas allowances – at a combined cost of approximately €340 million.

Significant improvements have been made to both schemes in recent years -

- The value of the fuel allowance has been doubled since 2005 to €18 per week or €21.90 for recipients living in designated smokeless areas;



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- The number of weeks for which the fuel allowance is paid has been extended to 30; and
- In January 2007 the number of units covered by the electricity allowance was increased from 1,800 to 2,400.

From 1 August 2008, the value of the electricity allowance per household increased from €465 to €540 per annum in line with electricity price increases (based on urban rates). In order to continue to maintain the value of the electricity and gas allowances at the same level, the value of the gas allowance was also increased to €540 per annum from the same date. I increased the value of these allowances to ensure that vulnerable customers continue to receive the same amount of energy under the Household Benefit scheme.

While the fuel allowance is intended as a contribution to heating costs for part of the year, the electricity and gas allowances help people with their heating, light and cooking costs year-round.

### **Heating Supplement**

In addition, over 4,000 people who have specific heating needs due to infirmity or a particular medical condition are currently receiving a heat supplement through the supplementary welfare allowance scheme which is administered by Community Welfare Officers nationwide.

### **The Money Advice and Budgeting Service (MABS)**

Deputies will also be aware that the Money Advice and Budgeting Service - funded by the Government - provides practical help to people who are experiencing difficulties paying their bills.



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### **Energy Efficiency**

Of course income support and advice, while very important, is only part of the answer in terms of reducing fuel poverty. Proper household insulation is absolutely vital.

Initiatives such as the Warmer Homes Scheme, operated by Sustainable Energy Ireland, under the aegis of Minister Ryan's department have a very valuable role to play in that regard - as does funding from the Department of the Environment, Heritage and Local Government for example, through the pilot central heating scheme.

### **Inter-Departmental Group on Energy Affordability**

Coordination of the work of the relevant departments and agencies is crucial to ensuring the effective delivery of a comprehensive approach to tackling fuel poverty. While various bodies have significantly increased the resources they are directing at fuel poverty initiatives in recent years, the establishment of an inter-departmental group on energy affordability has helped to ensure that we are working closer together to maximise the potential of our collective efforts.

### **Concluding Remarks**

To conclude, we have acted to address fuel poverty from a number of different angles. Income support has been an important part of this and significant increases in payment rates have been provided. While further improvements in payments would be a priority should funding be available, these can only be considered in the context of the resources available in the current budgetary environment.

**ENDS**