

Joint Committee on Social Protection, Community and Rural Development

Opening Statement by Rónán Hession

Assistant Secretary General of the Department of Social Protection

Introduction

I would like to thank the Joint Committee for the opportunity to attend here today to discuss the Green Paper on Disability Reform

My name is Rónán Hession, and I am the Assistant Secretary General at the Department of Social Protection with responsibility for policy on working age income supports.

I am joined by Sarah Waters, Principal with responsibility for disability policy, and Dr Devesh Singh, the department's Chief Medical Officer.

Green Paper launch

The Minister for Social Protection published the Green Paper on Disability Reform and launched the associated public consultation on 20 September 2023. The public consultation will run until 15 December. The Green Paper is available in plain English and accessible formats.

The aim of the Green Paper is two-fold:

1. to better insulate disabled people who cannot work, from poverty and deprivation, and
2. to encourage a higher level of employment for people with disabilities, which will enhance their participation in society and will, in turn, reduce the risk of poverty and deprivation.

Context

The commitment to examine a reform of long-term disability payments has been set out in several key policy documents:

- The Roadmap for Social Inclusion
- Pathways to Work
- The Make Work Pay report, and
- The Programme for Government.

As the Green paper points out, disabled people in Ireland face a high cost of disability, high poverty risks and low employment rates.

The Survey on Income and Living Conditions, or SILC, shows the at risk of poverty rates for people with disabilities at 35.2%, compared with 5.8% for the wider population.

The employment rate for disabled people cited in the Green Paper is 37%, compared to 73% for the general working population. For comparison, the EU average is closer to 50%.

The Indecon Cost of Disability report found that the cost of disability overall average annual costs of disability in Ireland ranges from €9,482 per annum to €11,734.

The Cost of Disability report also made a number of key recommendations, which helped to inform the approach in the Green Paper, including:

- The levels of disability payments and allowances should be changed to reflect the very different costs of disability by severity and type of disability.
- The concentration of any additional supports should be targeted for those most in need and who face the greatest additional costs of disability.
- A high priority should be given to facilitating an increase in employment opportunities for individuals with disabilities.

Green Paper proposals

Before I set out the substance of the Green Paper proposals, I would like to first explain what we mean by a Green Paper.

A Green Paper is a Government proposal on how to improve something or solve a problem. It doesn't claim to be the best way or the only way – its real purpose is to encourage thinking and discussion, and to prompt suggestions. It is, therefore, a useful tool in a public consultation as it provides focus and ensures that everyone is working with the same

information. Therefore, the features proposed in the Green Paper should not be taken as definite. They are proposals designed to help interested parties think about what might work, and to encourage a focused debate around key design issues to reform disability payments in Ireland.

The first of the main proposals of the Green Paper is the introduction of a three-tiered Personal Support Payment. In effect, this will replace Invalidity Pension, Disability Allowance and Blind Pension, though it will still be possible to qualify either on a contributory basis or via a means test. Broadly speaking, this mirrors the approach with the State pension, where there are parallel contributory and non-contributory streams.

Rather than the current one-size-fits-all approach, under the Green Paper proposals, people with a very low capacity to work will get a higher payment rate. The proposed higher rate is the same as the State Pension Contributory rate which will increase to €277.30 from January.

People in the lowest tier with a moderate to high capacity to work will receive a payment at the current rate of Disability Allowance and will be provided supports to find training and employment opportunities suited to their needs.

People with a more limited capacity to work will be placed in the middle tier and their payment will be half-way between tier 1 and tier 3. They will be offered appropriate employment supports and services.

I would like to highlight what the Minister has emphasised regarding this tiered payment structure: nobody will see their payments reduced and nobody will lose their payment. Nor will secondary benefits be affected.

The second aspect of the Green Paper is the introduction of new in-work supports. The current systems of disregards will be replaced by a working age payment model. This would create a greater link between welfare payments and employment earnings to ensure that a person would experience an increase in income where they take on additional work, subject to a threshold.

The third aspect of the Green Paper involves addressing inconsistencies and anomalies within the system. The paper proposes standardising the eligibility and age criteria of the new

contributory and non-contributory Personal Support Payment. It is also proposed to raise the qualifying age for Disability Allowance to 18 to bring it in line with the other disability payments, and to extend the payment of Domiciliary Care Allowance to 18 years of age, with the associated Carer's Support Grant.

UNCRPD

A key consideration when we were preparing the Green Paper was to ensure any proposals were in line with the UNCRPD.

While every government Department must respect the spirit of the UNCRPD, there are two articles of particular focus for our department: Article 27: Work and Employment, and Article 28: Adequate standard of living and social protection.

- Article 27 of the UNCRPD recognises the rights of disabled people to work on an equal basis to others. The Green Paper seeks to target employment supports in a way that is appropriate to a person's capacity. Some 26,000 disabled people are working and availing of the Departments income or employment supports. We know that many more would like to pursue their employment ambitions, subject to their capacity to do so. We would like to do more to help them.
- Article 28 of the UNCRPD recognises the rights of disabled people to Adequate standard of living and social protection. The tiered payment structure attempts to address this right to an adequate standard of living by ensuring that those with the greatest incapacity receive a higher weekly payment, which will help to insulate them from poverty.
- Article 4(3) of the UNCRPD commits State Parties to closely consult with and actively involve disabled people through their representative organisations in the development and implementation of legislation and policies. The Department has consulted with DPOs in the planning of the consultation process and we are holding a number of consultation events so that disabled people, DPOs and disability groups can all engage with and give feedback on the proposals. The first of these events was held in Dublin last week.

Clarifications

Before concluding, I would like to address some points that have been raised in the early stages of this consultation, and which, in our view, do not accurately represent what is being proposed.

First of all, the Green Paper does not propose cutting people off their payment. The Minister has been emphatic in stating that nobody will have their payment reduced or removed on account of the Green Paper proposals. The Government's objective is to increase people's payments or to provide more employment supports for those who can and want to work. The intention is to offer people more, but in a targeted way. We know that without targeting, we would be spreading limited resources thinly, which the Cost of Disability report advised against.

Second, there have been comparisons drawn with the Green Paper proposals and the previous reforms undertaken in the UK.

The UK system involved an approach of functional assessments in order to establish payment eligibility, with the prospect of people losing their payment.

There has been widescale criticism of the UK model, with several reports pointing out deep failures in the approach taken and its delivery.

We are not proposing the UK system.

In the Green Paper approach, the assessments will help to inform decisions about payment increases and the targeting of employment supports. Again, I should emphasise the Minister's clear commitment that nobody would see their payment reduced or removed.

However, if people feel that tiering is not the right way to target payments and supports, we are genuinely open to alternative and better ways.

I should also address concerns about the assessments. We have already done assessments for some 220,000 of our customers. The assessments are not new. We have been doing tiered assessments for Partial Capacity benefit for over ten years. The approach is not based on the medical model – nor indeed the UK functional model – but on a holistic approach, termed the

bio-psycho-social model. My colleague Dr Singh will expand on this point if it is of interest to the Joint Committee.

Thirdly, I want to be clear that the Green Paper is not a cost cutting measure. Based on a conservative estimate, the Green Paper proposals, if introduced, would increase spending by more than €130 million per year.

Conclusion

In conclusion, we would welcome engagement on the Green Paper proposals and look forward to open discussions. In particular we are keen to hear ideas about what might work better.

As the Minister has pointed out, the easiest thing for her to do would be to ignore reform. These payments have not been reformed in years, even decades. However, the current approach is leading to poorer outcomes for disabled people. We do not wish to cause anxiety or stress to our customers on disability payments by initiating these conversations, but we hope that the end point will be an improved system that works better for them.

Thank you.