

PRE-BUDGET SUBMISSION 2025



July 2024

Friends of the Earth Submission to Budget 2025

1. Introduction

Friends of the Earth Ireland is a community at the heart of the growing movement for a just world with zero pollution. We campaign and build movement power to bring about the system change that is needed for a just world where people and nature thrive. We promote education and action for environmental sustainability and justice and focus on Ireland's response to the big environmental challenges of our time, including the climate emergency and the achievement of the Sustainable Development Goals. We support people and groups working autonomously to connect their local work to the bigger national and international picture. We have particular experience in participatory education, campaign strategy, shaping public debate and driving policy change.

This submission outlines Friends of the Earth's priorities for Budget 2025. Ireland is unlikely to meet the targets of its first carbon budget for the period from 2021 to 2025 despite legally-binding sectoral ceilings on emissions applied across the economy. The cost of this lack of compliance requires much greater scrutiny in the context of Budget 2025. Failing to cut emissions now will also result in fossil fuel lock-in, which will become increasingly difficult and costly to undo. Friends of the Earth is calling new budgetary measures and investments in support of the urgent implementation of known policies and solutions. These measures will not only align the state with its climate obligations but will fundamentally enhance quality of life and protect those most at risk.

2. Warm Homes for All: Heat & Energy Poverty

As noted in the Budget 2024 expenditure report, every euro invested in energy efficiency displaces imported fossil fuels and protects against fossil fuel price shocks. The Government recognises the significant energy security and climate mitigation benefits of such measures. However, investing in energy efficiency is also fundamentally important for protecting households from global shocks, reducing energy poverty, and improving quality of life.

900,000 people in Ireland are currently living in enforced deprivation, and 560,000 are at risk of poverty. In 2023, 10.8% of the Irish population went without home heating due to a lack of money.¹

¹ SILC (2024) [Survey on Income and Living Conditions](#)

Research from the MESL Research Centre has shown that household energy costs are heavily dependent on energy efficiency, with inefficient buildings costing up to 55% more to meet basic energy needs. For groups with additional energy needs, such as the elderly, inefficient buildings can cost almost double what efficient buildings do to run.² Increased ambition and scaling up of home retrofitting could generate health and well-being benefits of up to €600 million annually, with lower household energy bills leading to €4.5bn euro of additional annual disposable income within the Irish economy.³

Recent [polling by Ireland Thinks](#) has shown that three quarters of the Irish public supports upgrading all social housing to be energy efficient by 2030, and implementing new incentives for landlords to renovate rental properties. Financial and technical support for transitioning to electric heat pumps is crucial, as 64% of the public cite financial constraints and technological uncertainty as barriers, and 74% agree on the need for local community energy advisors to assist with retrofitting queries and grant applications. Introducing a new Energy Guarantee Scheme for households in inefficient buildings and on low incomes is supported by a large majority of 78% of the public.

Friends of the Earth is calling for such measures to be further prioritised and better targeted in 2025.

I. Addressing Inefficient Housing:

- Set out a multi-annual funding strategy for retrofitting and installing renewable heating systems and solar PV in all social housing by 2030. Ensure that funding for this programme allows the worst-performing buildings to be prioritised, and that all aspects of energy renovation works are covered - including mechanical ventilation and scaffolding to renovate apartment blocks.⁴
- Increase funding for resources allocated to local authorities to ensure they have the right skill set to renovate their housing stock and improve staff retention. Mechanisms should also be considered to encourage and support local authorities in pooling their resources together at regional level, so that staff can become experts on specific themes and share their expertise.
- Expand the Warmer Homes Scheme to include rental properties receiving the Housing Assistance Payment on the condition of a 5+ year lease being offered to the tenant.
- Pilot a network of Local Community Energy Advisors to provide face-to-face and tailored support with retrofit and heat pump grants, and to identify & target households at risk of energy poverty for energy efficiency measures.
- Introduce zero-interest loans for home renovations targeting low-income households, similar to models used in France and the Netherlands.
- Reinstate the Warmth and Wellbeing Scheme for free energy upgrades prescribed by health professionals.
- Fully subsidise the cost of a BER assessment
- Develop a targeted strategy to improve energy efficiency in mobile homes for Traveller communities, including a new trailer rental scheme with residential heating and insulation standards.
- Pilot a dedicated retrofitting programme for rural households relying on solid fuel & oil heating systems that includes community engagement, education and new financial incentives.

² MESL (2024) [Pre-budget submission](#)

³ IERC (2021), "Creating shared value for all: The multiple benefits of a retrofit renovation wave in Ireland", [report](#)

⁴ Irish Green Building Council & Friends of the Earth (2024) [Bridging the Gap Between Energy Poverty and Energy Renovation](#)

- Mandate and fully fund the development of Renovation Passports for shallow energy renovation works receiving public funding by 2026 to ensure they lead to high quality, deep retrofit over time.
- Improve funding for the energy renovation of the AHBs' stock. This could be achieved either by increasing funding to match the level of funding made available to local authorities under the Energy Efficiency Retrofitting Programme (EERP) scheme or by further supporting the development of alternative financial mechanisms - e.g. zero-interest loans.

II. Addressing Fossil Fuel Dependence:

- Fully subsidise the cost of a heat pump technical assessment
- Introduce a Boiler Scrappage Scheme for oil boilers
- Include more measures in the 80% SEAI grant to encourage uptake, such as:
 - Heat pumps
 - Radiators if required for heat pump installation
 - Smart controls
- Direct additional funding towards the Warmer Homes Scheme to ensure all retrofitted homes are heat pump or district heating ready, and end fossil fuel boiler installation.
- District Heating projects will require significant capital funding support. A significant proposition of the Climate and Nature Fund should be ring-fenced for district heating infrastructure development.

III. Addressing High Energy Costs:

- Examine the introduction of an Energy Guarantee Scheme that provides a set amount of energy (e.g., 2400 kWh) for people in poorly insulated homes and those on low incomes to at-risk households.⁵
- Examine the introduction of a Social Tariff for low-income households.
- Expand initiatives such as EnergyCloud, that utilise excess renewable energy by providing free heat to some AHBs, to include all social housing and AHBs.
- Increase funding for community solar projects that allow low-income households to benefit from solar energy without needing to install individual systems.

IV. Addressing Inadequate Income:

- Restore the value of the Fuel Allowance by €196 annually to restore its purchasing power and expand eligibility to:
 - Include Working Family Payment recipients
 - Remove the waiting period for those on Jobseekers
 - Include the specific living arrangements of Traveller families
- Restore the value of all core social protection payments, ensuring they are above the poverty line and benchmarked against the Minimum Essential Standards of Living
- Address the key role of income inadequacy in energy poverty among older people by raising the contributory pension to 34% of the average industrial wage.

⁵ MESL (2024) The Cost of Adequately Heating the Home
https://www.budgeting.ie/download/pdf/the_cost_of_adequately_heating_the_home.pdf

- Introduce a €40 a week Cost of Disability payment to support disabled people with the extra costs of living with a disability

3. Transport

Decarbonising and expanding public transport by continuing to increase the funding of measures to reduce fossil fuel car use, including:

- Increase in funding for Rural Transport Programme and Local Link schemes, further develop local and circular routes servicing towns and villages,
- Provide funding for the maintenance by Local Authorities of infrastructure delivered through Active Travel allocations
- An extension of the TFI 90 Minute fare nationally
- Increase in the provision of Park & Ride facilities
- Ring-fence funding for the purchase of new electric buses
- Ring-fence funding to begin building a comprehensive school transport system

It will also be necessary to tackle the growing problem of ‘car bloat’ through taxation and other measures. Since 1985, the Irish population has grown by 45%, but the number of private cars skyrocketed by 200%. At the same time, cars are getting bigger and heavier. The average new car now weighs 1.5 tonnes, increasing 300kg in the past 20 years. Aside from the direct impacts this has had on greenhouse gas emissions, energy import dependency and fuel bills, this trend creates a vicious loop of car dependency, by making walking and cycling less safe, cluttering up streets and even footpaths with car parking, and making bus transport less attractive. The cost of expanding car size and car use to the state, in terms of health, climate, environmental and social impacts, are not properly accounted for. Government should develop proposals for the 2025 Budget to tax SUVs by weight, as well as other incentives to reduce car size.

4. Aviation

Aviation is still largely excluded from the Government’s Climate Action Plan and no policies are in development to align this sector with Ireland’s climate obligations and commitments aside from support for sustainable aviation fuels. A recent legal [analysis](#) conducted for Transport and Environment found that the Paris Agreement’s temperature goal applies economy-wide and that there is no legal basis for excluding aviation and shipping emissions from NDCs. Measures that could be introduced include managing air travel demand growth such as capping airport capacity, introducing a climate tax on air tickets, applying the carbon tax to aviation fuel, and redistributing air traffic away from Dublin airport to regional airports.

5. Agriculture

Budget 2025 must focus on funding a just transition for the agriculture sector and ensuring farming remains both financially viable and environmentally sustainable long into the future.

Concerted focus must be on financial and technical assistance to farmers and fishing communities as part of a Just Transition. To fund actions such as examples below

- Financial and technical assistance to farmers for nature restoration
- Increased personnel in state agencies with expertise in climate, ecology and other related sciences and expertise and to ensure enforcement of environmental laws and regulations
- Increased funding for training in nature-based solutions
- Ireland is one of more than 190 countries committed to protecting or conserving at least 30 percent of the planet's land and ocean by 2030 – known as the 30x30 goal. We must now honour that commitment by backing it with Marine Protected Area (MPA) legislation with adequate financing. We need to fully fund MPAs, the cost of which is approximately €55m over four years⁶

⁶ Fair Seas (2023), [‘Sustainably Financing Ireland’s Marine Protected Area Network’](#).