

Speech by Regina Doherty, T.D.

Minister for Employment Affairs and Social Protection on Budget 2020 - 8 October 2019

Introduction

Good evening, everyone.

This is my third Budget as Minister for Employment Affairs and Social Protection and, each time, I have sought to ensure that the social welfare system supports the most vulnerable people in our society. We know from the work of the ESRI the Vincentian Partnership and others that those most at risk of poverty as the economy recovers are families with children who are either dependent on welfare or are employed in low wage jobs.

I have therefore in my budgets over the past three years sought to ensure that families and children are prioritised. Through the measures introduced in recent Budgets, I have also sought to provide pensioners, people with disabilities, carers and jobseekers with additional supports to share in the economic recovery.

The Budget measures in recent years have amounted to almost **one and a half billion euro in additional expenditure per annum** to the most vulnerable sections in our society.

Budget 2020

This year's Budget has been framed in a period of uncertainty – in the shadow of Brexit - and within tighter financial parameters than recent years.

Having said that, I have secured additional resources to provide for increases for those people most at risk of poverty. Building on the foundations of recent years, I will continue to provide for a better deal for families, particularly those on low fixed incomes.

Measures to Benefit Families

Qualified Child Increase

Families who are reliant on welfare, including families with disabilities, families where the main breadwinner has to give up work to perform caring duties, and lone parent families are, as we know, most at risk of poverty. Last year, in recognition of this fact, we increased the weekly rates for children and I am building on that again this year by providing a €3 increase for children aged 12 and over and a €2 increase for children under 12.

These represent increases for all children in households dependent upon social welfare. Between 2016 and 2017, the number of children in consistent poverty fell from 10.9% to 8.8%. This reduction of over 2 percentage points in a year is the second highest reduction in the rate since the collection of SILC data began in 2004. While this is still unacceptably high, it shows that our focus on families is taking effect. The increases provided in 2018 and 2019 are yet to be seen in the figures and I would hope that we see a further reduction in child poverty when the 2018 data is released later this year.

Lone Parents income disregard

In this year's Budget, I am again increasing the income disregard for lone parents – this means working lone parents will see an increase in their household income. It will increase by a further fifteen euro, bringing it to €165 per week.

Working Family Payment

I am also increasing the income thresholds on the Working Family Payment by €10 per week for families with up to three children. This is aimed at ensuring that more low income families qualify for the payment and provide those who already qualify with an increase in their payment. In a period where the minimum wage and earnings have increased, it is only right that we adjust these thresholds to ensure that we continue to support working families.

Hot School Meals

This year, I introduced a new pilot programme delivering Hot School Meals to 36 schools across the country, benefiting 7,000 children. I am pleased to say that initial feedback from the current hot school meals pilot is very promising. Accordingly, I am providing an additional €4m in funding to allow for the provision of additional hot school meals in 2020. Subject to confirmation of a positive impact from the full year evaluation of the current pilot, this provision will enable me to fund an upgrade from cold meals to hot meals for over 35,000 children in primary schools. If this expansion confirms a positive impact, my ambition is that ultimately hot meals will replace cold meals for all children who benefit under the school meals programme.

Other Measures

In addition to families with children, I am mindful that there are other groups, particularly people on welfare living alone and Carers who wish to work, who need additional support. In this budget, even with constrained resources I have sought to take some measures to provide this support:

Living Alone Increase

This year, I am pleased to provide for a five euro increase in the weekly Living Alone payment. This payment will provide additional income for vulnerable pensioners and people with disabilities who have to deal with the additional costs of living alone. Over 160,000 pensioners, widows and widowers, and over 40,000 people with disabilities will benefit from this increase.

I am pleased to say that the increase on the living alone payment, along with the other increases I am announcing today, will take effect from the week beginning 6th January 2020.

Fuel Allowance

I have extended the duration of the fuel season to 28 weeks in recent Budgets. Today, I am pleased to announce that we will increase the rate of payment by €2 per week, from €22.50 to €24.50 in recognition of rising fuel costs and the impact of the Carbon Tax.

Carers

It has been a long-standing call from carers groups and associations that the limitation we place on the number of hours that carers can work or train in a week is too restrictive. From the many conversations I have had with these groups, and with many individual people whom they represent and who deliver care to our most vulnerable people and loved ones, I have been convinced by their proposals. Next year, I will increase the number of hours that a carer can work or train from the current 15 hours per week to 18 and a half hours per week. This will help Carers address issues of social isolation and, critically, enable them to maintain better contact with the workforce, so improving their welfare and their incomes.

Jobseeker's Allowance for under 26-year-olds

In this year's Budget, I am removing the reduced rate of payment currently in place for 25-year-old jobseekers. This will increase the rate of payment for these young jobseekers by €45.20 per week.

For jobseekers under 25 years of age, a range of activation measures have been developed and improved over recent years, most notably the EU-wide Youth Guarantee Programme and the Youth Employment Support Scheme which I introduced as part of Budget 2018. I will continue to focus on youth unemployment and in developing initiatives to help young people back into work.

I am also happy to announce today that the Jobseeker's Allowance payment for jobseekers under 25 will be increased to the maximum rate where those jobseekers are living independently and in receipt of State housing supports – such as rent supplement or the Housing Assistance Payment. The residual income of young jobseekers on these housing supports after paying the minimum contribution payments on rent supplement, HAP or other local authority housing supports, can lead to significant hardship and threat of homelessness. I am pleased to be in a position to address this today.

Blind Welfare Allowance

I am introducing a disregard on all social assistance schemes for any person in receipt of the HSE's blind welfare allowance. This ensures that the Blind Welfare Allowance is not treated as income for the purpose of means assessments in my Department. This removes the situation where someone on Disability Allowance, for example, may have their payment reduced because they are also in receipt of Blind Welfare Allowance.

Household Benefits

The Department provides a household benefits package which includes a gas or electricity allowance and a free television licence. For people under 70 years of age, they may not receive these benefits because another adult – usually an adult child – resides under their roof. I am removing this condition in Budget 2020. By doing this, we are recognising and supporting the role played by these families in providing a home to other adults, usually adult children. It provides additional support to vulnerable, multi-generational households at a time of high housing costs.

National Minimum Wage

Today, the Government accepted the recommendations of the Low Pay Commission that the Minimum Wage be increased by 30c to €10.10. The Commission made its recommendations on the basis of an orderly Brexit. Standing here today, we do not know if this will be the case

and it may be some weeks before we have greater clarity. Therefore, the Government has decided that a decision on when the Commission's recommendation will commence will be made when the outcome of the Brexit negotiations becomes clearer.

Other Measures

- Our activation programmes have been successful in increasing employment levels for groups that find it difficult to find sustainable jobs. However, there are still a number of groups that experience difficulties for various reasons in entering and sustaining employment. I am providing €2.5 million in 2020 to develop and implement specific activation initiatives for groups most distant from the labour market. In particular, I plan to develop 'Returnships' for women who have been out of the workplace for a prolonged period of time – usually to raise a family or care for a relative – and help them to participate once more in the workforce.
- Also, I am providing an additional €2m in the Community Employment budget for training to ensure that this programme not only provides work in local communities for the long-term unemployed but also provides quality training interventions to prepare participants for employment in the open labour market.
- I am also providing funding for research in two key areas:
 - (i) To the Irish Hospice Foundation to conduct research on funeral poverty in Ireland and on the wider economic impact of bereavement; and
 - (ii) To establish a judge-led group to determine, based on best international practice, maintenance guidelines and regulations which can hopefully be put on a statutory footing and which will achieve better outcomes for families.

Christmas Bonus

Last year, I was particularly pleased to announce the restoration of the Christmas Bonus payment at a rate of 100%. Despite the current climate of uncertainty, I am delighted to confirm that I have received Government approval for the payment of a Christmas Bonus again this December at a rate of 100%.

The Christmas Bonus recognises the needs of people who are long-term financially dependent on their social welfare payment for all or most of their income, such as pensioners, people with disabilities and carers.

It will benefit over 1.2 million long-term social welfare recipients at a cost of €279 million.

Concluding remarks

Today's Budget announcement demonstrates this Government's commitment to providing a better deal for families. This year, we have developed a social welfare package that builds on the significant increases of recent years and focuses on the groups in society who are most vulnerable and most at risk of poverty – in particular, but not only, families on low incomes with children. I believe the measures announced today adjust the social welfare code in a way that focuses available resources on the people who need it most.

It strengthens our social welfare system and puts us in position to provide for further improvements in the years ahead. Next month will see new measures introduced which were announced in Budget 2019 including the introduction of Parent's Benefit as well as Jobseeker's Benefit for the Self-Employed. In addition, I have tasked my officials to continue working with their colleagues in the Department of Public Expenditure and Reform to introduce a system next year to provide for indexation of State Pensions. This will ensure pensioners are provided with greater certainty about the value of their social welfare incomes from year to year.

This is a social welfare package that provides for a better deal for families and targets resources to the other most vulnerable groups on society. I will continue to work to ensure that our social welfare system is focused upon the people that need our support and protect them in times of financial hardship.

Thank you.