



**Minister Announces Plans For Strengthened & Enhanced Money
Advice & Budgeting Service
Geared To Meet Modern Debt Problems**

**“Increase In Easier Access To Credit Now Causing Serious Modern Debt
Problems”—Seamus Brennan**

The Minister for Social Affairs, Seamus Brennan T.D., announced today that legislation will shortly be introduced to strengthen and streamline the Money Advice and Budgeting Service (MABS) which provides a free, confidential and independent service countrywide through a network of offices for people in debt or in danger of debt.

Minister Brennan signalled that the proposed new structure, combining a continuation of valued local voluntary involvement and professional advice with national leadership set on a statutory basis, would be designed and shaped to best respond to the stresses of modern debt on, in particular, low income earners.

Minister Brennan was speaking in County Cork where he performed a number of duties, including the opening of the new offices for the West Cork MABS in Dunmanway, and the 10th anniversary celebrations for the Charleville & District MABS. The Minister also performed the official opening of the West Cork Citizen Information Service in Bantry and visited staff in Social Welfare staff in Bantry and Dunmanway.

The Minister released new figures showing that over 90,000 people in Co. Cork benefit each week from social welfare supports and entitlements. In addition, more than 121,000 children in the county are in receipt of Child Benefit each month and it is estimated that some 39,000 children will also qualify for the Early Childcare Supplement of €1000 per year for children aged under 6 years.

(*Full details of Cork welfare benefits are attached)

Minister Brennan said that over the past 13 years MABS had developed into a valuable nationwide advice and support service that had assisted thousands of people to regain control of their finances and, in time of need, to gain access to affordable credit. Last year alone almost 27,000 people nationwide used the MABS service, compared with less than 18,000 four years earlier. The most recent statistics show that, since 2005, more than 16,000 new customers have approached the independent and confidential advice service. Funding of the service by the Department of Social Affairs has more than doubled in the past four years to over €16 million in 2006.



Department of Social and Family Affairs

Minister Brennan said: "It has always been envisaged that MABS would be shaped by the needs of local communities and work in partnership with local voluntary and statutory organisations. Local knowledge is invaluable to the MABS service and I want to see this continued. But I also see the need for a more streamlined national structure with a central leadership. As it stands, MABS has a total staff countrywide of 230 and is based on the model of 53 individual companies limited by guarantee. In order to ensure the best value for the €16 million of taxpayers money invested each year, and to build a coordinated budgeting and advice service that has all the supports needed to meet the demands of modern debt problems, I intend to publish legislation shortly that will deliver modernisation and innovation, solidly founded on a modern and streamlined structure, and geared to meet the rapidly changing face of debt problems in 21st century Ireland".

The Minister said the reality is that the structure of the MABS needs to change to accommodate the 21st century type debt problems and pressures now being encountered. He had informed the MABS National Advisory Committee some months ago of his intentions in this regard and had invited submissions from each of the stakeholders. He was now examining those submissions in advance of bringing forward revised and updated legislation.

"I believe that we can use everything that we already have in MABS and build on it to shape and deliver an enhanced service and structure. I would ask all stakeholders to approach plans for modernising and streamlining with an open mind. I know that everyone involved will put a lot of thought into it and will put the quality of the service to the client as the priority. MABS has been an extremely positive development in the whole area of debt management in Ireland in the last 13 years or so. The challenge for the future is to develop a strategy to prevent over indebtedness and inform people before they reach crisis point, as well as continuing to meet the needs of those who find themselves in immediate financial difficulties.

"I will do my utmost to provide the appropriate leadership and guidance to ensure that legislation is put in place so that the service can move forward in a secure and cohesive way to meet the challenges likely to present for its clients over the coming decade".



Department of Social and Family Affairs

Minister Brennan said more and more people are recognising the value of the service MABS offers. As it is free, independent and confidential, it is very reassuring to an indebted person that they can reveal the most intimate details of their financial affairs to a money adviser in complete confidence.

Minister Brennan said: "Money Advisers encounter first hand the human face of serious debt situations. The impact on people and families can be horrendous with loss of dignity and indeed loss of self esteem.

"The nature of debt is varied and can range from small loans to difficulties with utilities bills such as electricity, gas and telephone bills, credit card debt, mortgage or rent arrears or indeed debt around life events such as First Communions, bereavements and weddings. The increase in the availability of credit to the public is emerging as another significant factor in the continuing rise in the numbers seeking help from MABS. The service is reaching out to people in debt, or in danger of sliding into debt, and helping them to regain control of their finances and budgets for the future".

West Cork MABS Service

The West Cork MABS Service was established in 1998 with an administrative base in Dunmanway and covers the geographical area from Bandon to Castletownbere and the Mizen Peninsula to Macroom, with a population of over 86,000. Funding for the service from the Department of Social Affairs has grown from €95,000 in 2000 to over €228,000 this year. A total of 320 new clients attended the service last year.

Charleville & District MABS 10th Anniversary

Charleville & District MABS was set up in April 1996 to provide support and advice to families who are experiencing financial difficulties. The office covers a large area including the towns of Kilmallock, Kilfinane, Hospital, Galbally, Ballylanders, Bruff, Croom, Granagh, Ballingarry, Dromina, Milford, Ballyhea and surrounding areas. The population of the catchment area is approx 33,393. In a period of 10 years, Charleville & District MABS has worked with approximately 1300 families in the area. The service currently employs 4 staff.

West Cork Citizens Information



Department of Social and Family Affairs

West Cork Citizens Information Service (CIS) was established in 2004 and incorporates the Bantry and Macroom Citizens' Information Centres. It became a limited company in March 2005.

The role of the CIS is to co-ordinate, develop and expand citizens' information services throughout West Cork.

It has recently commenced a weekly service in Dunmanway and from June, a weekly service will be available in Castletownbere. It is planned to start a service in Clonakilty later this year.

Over the past year there have been major developments in Citizens Information Services in West Cork, illustrated by **an increase of almost 400% in the number** of queries dealt with by the service. These increases have primarily occurred in Bantry, where the new Citizens Information Service offices are centrally located. **In the first quarter of 2006, Bantry CIC responded to 1,618 queries compared with 429 queries in the same period in 2005.**

*** APPROXIMATE NUMBERS BENEFITING IN THE CORK AREA ARE DETAILED BELOW:**

Unemployment Payments:	15,920
Old Age Pensions:	20,204
Retirement Pension:	10,073
Pre-Retirement Pension:	1,192
Disability Benefit/Allowance:	16,336
Widow's & Widower's Pensions:	13,314
One-Parent Family Payment:	8,201
Supplementary Welfare Allowance:	2,997
Carer's Benefit/Allowance:	2,423
<u>Total benefiting in Co Cork:</u>	<u>90,660</u>

In addition, Child Benefit is paid in respect of 121,135 children to 62,400 families in the Cork area. It is expected that about 29,000 families will receive Early Childcare Supplement in respect of about 39,000 children.

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