



**Speech by Minister Martin Cullen TD
Minister for Social and Family Affairs**

**2008 Budget – 5 December 2007
*Social Welfare Package***

Check against Delivery

Good evening and thank you for attending this press briefing.

This year's Budget was agreed within more challenging financial circumstances than those of recent years. The package of €900 million for social welfare measures which has just been announced by my colleague the Minister for Finance, clearly demonstrates the Government's commitment to protecting the less well off and most vulnerable members of society. Nearly half of all additional current Government expenditure announced today will be spent on the social welfare sector. As a result, total expenditure by the Department of Social and Family Affairs next year will be €17 billion. The schemes and other supports that we administer will benefit over 1.5 million people. Families also receive child benefit for almost 1.2 million children.

The 2008 Social Welfare Budget package aims to achieve four important strategic objectives:

- It continues to make significant progress towards achieving the Government's target on social welfare pension levels.



Department of Social and Family Affairs

- It significantly improves the position of the spouses and partners of contributory pensioners who receive the qualified adult allowance.
- It strengthens the framework of supports for family carers and
- It ensures that the real value of all social welfare payments are maintained and safeguarded.

These were my overriding objectives in framing my Budget proposals. They ensure that decisive steps have been taken in implementing proposals in the *Programme for Government, Towards 2016* and the *National Action Plan for Social Inclusion*.

Full details of the social welfare package are set out in the Fact Sheet which you have before you. I will only highlight some elements of it at this stage.

Pensions

The Government is committed to achieving a pension of at least €300 per week by 2012. This Budget has taken the first step by increasing the Contributory State Pension by €14 a week to €223.30 and the Non-Contributory Pension by €12 to €212.



Department of Social and Family Affairs

The Government is also committed to increasing the qualified adult allowance to the level of the State Pension (Non-Contributory). I am pleased that in this year's Budget, an increase of €27 in the qualified adult rate has been achieved, bringing it to €200 per week or 94% of the target.

This measure will benefit all qualified adults aged 66 and over and will be of special benefit to women who do not have an entitlement to a contributory pension in their own right because of home responsibilities in the past.

When combined with the increase in the personal pension rate, the impact of this measure means that over 42,000 pensioner couples will see their household income increase by up to €41 a week or nearly 11%. The total social welfare support provided to a contributory pensioner couple, receiving the fuel allowance, will exceed €23,000 per annum next year.

On a related note, I have increased the fuel season in respect of which the fuel allowance of €18 a week is paid, by one week with effect from next April.

The increases to pensions over many years have been one of the major achievements of the Government. Since 2002, the level of the Contributory State Pension has increased by over 50%. This improvement has had a marked impact on the living standards of older people enabling them to face the future with a greater sense of security and dignity.



Carers

I am increasing the rates of payments for carers so that with effect from next January:

- the rate of Carer's Allowance will increase by €14 bringing the rate for carers aged 66 or over to €232 per week and under 66 years to €214 per week.
- the rate of Carer's Benefit will also increase by €14 a week.

In addition, I am pleased to announce an increase of €200 in the rate of the Respite Care Grant to €1,700 from June next year. It is estimated that over 48,000 carers will benefit from this payment next year. The increase is also a positive step towards the achievement of our commitment to increase the Respite Care Grant to €3,000 per year over the lifetime of this Government.

I have also increased the level of the income disregards for Carer's Allowance to €332.50 per week for a single person and to €665 per week for a couple. This measure ensures that all those on average industrial earnings will continue to qualify for a full Carer's Allowance. I have also increased the level of the income threshold for Carer's Benefit to €332.50 per week.

I am also pleased to confirm that a national *Carer's Strategy* will be published next year. This will provide us with an opportunity to build further on these improvements and to consider other areas where progress can be made.

Other social welfare rates

One of my priority concerns in approaching this Budget was to maintain the value of the lowest social welfare rates in keeping with the commitments in the *Programme for Government* and the *National Action Plan for Social Inclusion*.

The rates of payments to people with disabilities, the unemployed, widows and those parenting alone, to mention just a few of the groups to benefit, have increased by €12 or approximately 6.5%. This is well above the projected increases in both prices and earnings for next year. Thus, for the fifth Budget



Department of Social and Family Affairs

year in a row, social welfare rates are being increased faster than prices and earnings. In fact, when this increase is taken into account, the lowest social welfare rates will have increased by 58% since 2004 compared to cumulative price increases of 15% for the same period. In 2004 the lowest social welfare rate of payment equated to 24% of gross average industrial earnings. It will now stand at 30%.

As a result of the Budget, a couple dependent on Jobseeker's Allowance, with no other earnings, will be over €1,000 better off next year, while a single unemployed person will be gain by over €650.

Child Income Support

The Social Welfare Budget package sets aside nearly €148 million, or €194 million when the Early Childcare Supplement is included, to improve the range of supports provided for children. These include increases to Child Benefit, Family Income Supplement, Back to School Clothing and Footwear Allowance and the Qualified Child allowance. For example, the combined value of child income supports for a social welfare-dependent family with three children, including one child under six years of age, will increase by €718 in a full year, bringing their total child income support to over €12,000 next year. This equates to a child support payment of over €77 per child per week.

I am also increasing the Widowed Parent Grant by €2,000 to €6,000 and providing additional resources for the School Meals Programme, which has been greatly expanded this year.

Participation and Employment Supports

The Budget makes provision for various measures which are designed to assist people in the progression from welfare to work. These include an increase in the upper income threshold for entitlement to One Parent Family Payment and a



Department of Social and Family Affairs

reform of the method of assessing earnings for that scheme by disregarding social insurance and other employment related contributions. I am also increasing the Cost of Education Allowance by €100 to €500 per annum.

Provision has also been made in my Department's administrative budget for the deployment of an additional 30 facilitators with clerical support staff next year as the first stage in a radical development of activation supports provided by my Department. This programme, which is being funded under the *National Development Plan* will provide for the individual case management of all social welfare customers of working age who are not progressing into employment or accessing training or employment opportunities. The approach will be proactive and outcome focused and specifically directed towards those who, because of their personal or family circumstances, face particular difficulties in engaging with the labour market.

Conclusion

In summary, this is a strong package of measures. It provides for a real increase in all social welfare payments. It takes a decisive step forward in implementing several commitments in the *Programme for Government* and clearly demonstrates the Government's commitment to protecting the most vulnerable members of society.

Thank you very much. I am now happy to answer your questions.

SPEECH ENDS